



Chair, Rep. Garnet Coleman

Treasurer, Rep. Elliott Naishtat

LSG Floor Report for Postponed Business – Wednesday, April 15, 2015

Bill	Caption	Committee	Analysis & Evaluation	Recommendation
HB 3279 Rep. Gonzales, L.	Relating to the authority and duties of the office of the inspector general of the Health and Human Services Commission.	General Investigating & Ethics	<p>HB 3279 seeks to make changes to the OIG in HHSC in line with recommendations made by the Sunset Commission, which found deep management and due process concerns in the OIG's efforts to detect Medicaid fraud, waste, and abuse. This bill also requires a special purpose Sunset Review in 6 years, for the 87th legislature, to make sure the provisions in this bill are successful in addressing the management and due process concerns. One particular concern is that the responsibility for appointing the HHSC OIG is transferred from the governor to the HHSC director. This is the proverbial "fox guarding the hen house" and is bad policy. The responsibility for appointing the HHSC OIG should remain outside of HHSC.</p> <p>HB 3279 prescribes changes to how investigations are carried out, including prescribing time frames in which preliminary and full-scale investigations related to fraud, waste, and abuse be carried out to improve the effectiveness of the OIG. The bill seeks to strengthen oversight of special investigative units in MCOs (Managed Care Organizations), improve management practices, and streamline the credible allegation of fraud hold payment system within the OIG. The OIG is also permitted to share the confidential drafts of audits with DFPS if it concerns the death of a child in DFPS custody.</p> <p>This bill amends the definition of fraud for the HHSC OIG, removing references to other parts of statute and affirming that unintentional mistakes are not considered fraud. Finally, HB 3279 strengthens the audit appeals process for pharmacies to give them more independence in decision-making. This bill improves transparency and accountability within the Office of the Inspector General to better serve low-income Texans who are reliant on Medicaid; this will strengthen protections from Medicaid MCOs from being able to take advantage of consumers in committing fraud and abuse.</p>	<p><u>Will of the House with Concerns</u></p> <p>Evaluated by: Paige Reitz 571-213-2362 paige@texaslsg.org</p>
Amendment To HB 3279	By Rep. Gonzales, L.	#840669	This amendment provides slight language changes, replacing "Medicaid program" with "Medicaid." There are no substantive changes.	

LSG Floor Report For General State Calendar – Wednesday, April 15, 2015

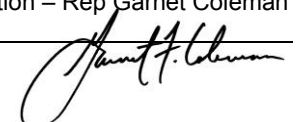
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<p>HB 2813 By Rep. King, K., et al.</p>	<p>Relating to health benefit plan coverage for ovarian cancer screening.</p>	<p>Insurance</p>	<p>Ovarian cancer currently has a 78% death rate, with 64% (14,000) of women dying the same year they are diagnosed. Ovarian cancer is considered the “silent killer” as symptoms can often be attributed to other causes, and women do not undergo regular screening. Most cases are above stage 3 when discovered, making treatment difficult. HB 2813 requires that the expense of CA 125 blood tests, and a subsequent ultrasound if warranted, be covered under health benefit plans. The CA 125 blood test is the current method for detecting ovarian cancer, and costs an average of \$80. Similar cancers, such as prostate, breast, and cervical cancers, currently have annual testing coverage. Early detection is key to treatment and increasing life expectancy. This bill will enable women to take more control of their health, and will help to spare family members from watching their loved ones succumb to this horrible disease.</p>	<p>Favorable Evaluated by: Cathryn Taub 512-763-0031 cathryn@texaslsg.org</p>
<p>HB 1579 By Rep Lucio III, et al.</p>	<p>Relating to the sale and purchase of shark fins or products derived from shark fins; creating a criminal offense.</p>	<p>Culture, Recreation & Tourism</p>	<p>Shark finning is the inhumane practice of removing a shark’s fins and then dumping the living creature back into the water, where it will be unable to survive. HB 1579 prohibits a person from buying or offering to buy, selling or offering to sell, or possessing a shark fin with the intent to sell, transport, ship, barter, or exchange regardless of where the shark fin is obtained. The bill creates an offense for violators and those who have been previously convicted. It does not ban shark fishing.</p> <p>An estimated 73-100 million sharks are killed annually, with the majority being killed for their fins. The demand and value of shark fins is high because of their use in the popular shark fin soup. The US is the largest market for shark fins outside of Asia, and with 9 other states banning the practice, Texas has become a state of last resort for those involved in the shark fin black market.</p> <p>Sharks are an essential part of the Gulf Coast ecosystem. The sharks in the gulf help to control the ray population, which in turn protects our shellfish population. In addition, it is believed that sharks may begin to help control the explosion of Lionfish along the coast by integrating the invasive species into their diet. By helping maintain the shark population, a more sustainable ecosystem in the Gulf Coast will continue to provide Texans with both economic and recreational opportunities.</p>	<p>Favorable Evaluated by: Cathryn Taub 512-763-0031 cathryn@texaslsg.org</p>
<p>HB 168 By Rep. Larson</p>	<p>Relating to privileged parking for Distinguished Flying Cross medal recipients.</p>	<p>Defense & Veteran Affairs</p>	<p>HB 168 expands the list of specialty license plates for military service to include Distinguished Flying Cross medal recipients. The recognition of their service will grant Distinguished Flying Cross medal recipients the same parking and fee exemptions enjoyed by other recipients of recognized military awards and medals.</p>	<p>Favorable Evaluated by: Cathryn Taub 512-763-0031 cathryn@texaslsg.org</p>
<p>HB 679 By Rep. Turner, S.</p>	<p>Relating to a study on homeless youth.</p>	<p>Human Services</p>	<p>It is reported that there are about 10,000 identified homeless youth that attend Texas public schools, although this number may be significantly underestimated because rates of homelessness are typically underreported. Reasons for youth homelessness vary from aging out of foster care, leaving the juvenile justice system, being disowned by families because of identifying as LGBTQ, etc. When youth live on the streets they face many challenges that risk their health and safety. HB 679 seeks to gain data on the number of homeless youth in Texas by conducting a study by the Texas Department of Housing and Community Affairs (TDHCA) that examines the needs, extent of resources available, and funding so that a strategic plan can be created in reducing youth homelessness.</p>	<p>Favorable Evaluated by: Brittany Reyes 512-763-0031 brittany@texaslsg.org</p>
<p>HB 2037 By Rep. Geren, et al.</p>	<p>Relating to compensation and leave for certain peace officers.</p>	<p>Homeland Security & Public Safety</p>	<p>HB 2037 creates equality among peace officers employed by the attorney general and peace officers employed by other state agencies with regards to compensation and leave. Currently, peace officers employed by the attorney general were not eligible for the same compensation as other peace officers, despite performing similar functions. HB 2037 simply addresses this oversight.</p>	<p>Favorable Evaluated by: Paige Reitz 512-763-0031 paige@texaslsg.org</p>

<p>HB 1992 By Rep. Zerwas, et al.</p>	<p>Relating to the granting of undergraduate course credit by advanced placement examination at public institutions of higher education.</p>	<p>Higher Education</p>	<p>HB 1992 prohibits institutions of higher education from requiring a score of more than “3” on the Advanced Placement exams (scored on a 1-5 scale) taken by high school students for college credit. It provides for an exception to that rule providing the institution’s chief academic officer can show evidence that a higher score is necessary for success at the university. The bill also requires the Higher Education Coordinating Board to conduct a study on performance of students at higher education institutions who received college credit for AP exam scores, looking at their retention, achievement, and graduation rates and comparing them to students who took a comparable course at the institution of higher education. This study should disaggregate students by score (i.e. determine if students who had a score of 3 did as well as students who scored a 4 or a 5). This will benefit Texas students by helping them earn college credit in a more economically accessible way and to graduate sooner. It will also provide data for the next legislative session on the success of college students with and without AP course credits, which will help Texas best serve students in the state moving forward.</p>	<p>Favorable Evaluated by: Paige Reitz 512-763-0031 paige@texaslsg.org</p>
<p>HB 822 By Rep. Sheets</p>	<p>Relating to increasing the punishment for the offense of fraudulent or fictitious military record.</p>	<p>Defense & Veterans’ Affairs</p>	<p>HB 822 increases the penalty from a Class C misdemeanor to a Class A misdemeanor for offenders that fraudulently claim military service, aligning Texas law with federal law. This bill will only apply to those who seek economic gain for falsifying service; those who simply wear the uniform, such as a Halloween costume, are exempt. Stolen Valor not only demeans the military members who have sacrificed so much, it also falsely uses the compassion of business owners and citizens wishing to honor military service.</p>	<p>Favorable Evaluated by: Cathryn Taub 512-763-0031 cathryn@texaslsg.org</p>
<p>HB 3536 By Rep. Landgraf</p>	<p>Relating to the appointment of the commissioners of certain financial regulatory agencies by the Finance Commission of Texas.</p>	<p>Investments & Financial Services</p>	<p>The Finance Commission of Texas oversees the functionality of Texas Department of Banking, the Department of Savings and Mortgage Lending, and the Office of Consumer Credit Commissioner. Members of the Commission are appointed by the governor and hold the responsibility of appointing the banking commissioner and the savings and mortgage lending commissioner. Currently, the Finance Commission of Texas requires a minimum of 5 affirmative votes to successfully appoint both commissioners, but no majority votes were needed for appointing the Credit Commissioner. HB 3536 removes the minimum required number of votes, providing consistent requirements of appointing all three commissioners.</p>	<p>Will of the House Evaluated by: Brittany Reyes 512-763-0031 brittany@texaslsg.org</p>
<p>HB 1617 By Rep. Paddie</p>	<p>Relating to authorizing certain real property transactions involving the Department of Public Safety of the State of Texas.</p>	<p>State Affairs</p>	<p>HB 1617 is a local bill that allows for a land swap between DPS and First United Pentecostal Church in Shelby County, Texas. The state retains its right to any oil & gas interest in the property.</p>	<p>Favorable Evaluated by: Nakia Winfield 512-763-0031 nakia@texaslsg.org</p>
<p>HB 2142 By Rep. Oliveira, et al.</p>	<p>Relating to corporations and fundamental business transactions.</p>	<p>Business & Industry</p>	<p>This bill should be viewed not on its own but instead as part of a larger discussion involving corporate law and Delaware. Over half of all publicly traded corporations and more than 60% of Fortune 500 Companies are incorporated in Delaware, making it by far the leading choice for companies to incorporate. Many states – including Texas – are eager to “catch up” with Delaware, and one way to try to do that is to make the state’s corporate law structure mirror that of Delaware’s. HB 2142 is an attempt to do just that. However, members should be realistic about both the possibility of ever competing with Delaware as well as the eventual benefits even if it were possible to do so. Delaware’s legal structure is just one reason it is so attractive for companies to incorporate; the state also benefits from its geographic location, its tax structure, and its court system which is filled with the kind of long and dependable corporate law precedent that could only come from being in Delaware’s position for so long.</p> <p>Delaware’s status as a safe haven for corporations has come along with its own problems as well. Delaware’s lax oversight process (a business can incorporate there in less than an hour) has made it equally attractive for sham corporations, and it has even been compared to the Cayman Islands in terms of allowing companies to be shielded by U.S. law but escape the tax liability the rest of us</p>	<p>Favorable Evaluated by: Amanda Foster 512-763-0031 amanda@texaslsg.org</p>

			<p>must pay. Therefore, if states are in a race to the bottom to match Delaware, then perhaps it is not wise to be in the lead.</p> <p>This is all to say that making our laws more like Delaware’s may be good policy on its own merits, but that judgment should be based on the actual policy change and not under the belief that copying Delaware is automatically a good idea. This bill generally accomplishes what it sets out to do – makes it easier for Texas businesses to operate and be more profitable, helping workers and shareholders alike. But the discussions related to modeling state laws after Delaware’s are taking place all over the country, and Texas lawmakers should continue to use their judgment in ensuring that our laws are appropriate to our state.</p> <p>The actual changes in this bill are modeled after the Delaware General Corporation Law (DGCL) and the Model Business Corporation Act. HB 2142 is a package of substantive and technical changes which streamline the merger and acquisitions process by establishing a short form merger process for certain for-profit corporations. Under the proposed two-step merger process, the acquiring entity could move forward with a merger so long as they have acquired a sufficient percentage of the target entity’s shares. The consummation of a tender offer or exchange would then satisfy any shareholder consent requirement, and dissenting shareholders could seek redress tangential to the process.</p> <p>The bill further establishes legal procedures for an entity to ratify defective corporate acts, which are discrepancies in share issuances or other legal flaws that result when a corporation issues more public shares than is in their legal authority to issue. The bill provides procedures for shareholders to come to an agreement to cure these acts and judicial review if an agreement cannot be reached as to valuation of share. While over-issuance can happen in the regular course of business, a case could be made that judicial oversight in all instances would provide for a better check on business in instances of unscrupulous or overly ambitious issuance. Defective acts can also deter an acquiring corporation from merging with an entity, for fear of subsuming risk, so providing a mechanism to cure these acts also facilitates mergers.</p> <p>Additionally, the bill makes other substantive changes to facilitate a consolidated filing and technical amendments to clarify statute and modernize code. Making mergers and acquisitions more efficient provides for a quicker financial return, which can benefit workers and shareholders. It is also important to note that while most talk about business might conjure giant corporations, these laws aid small businesses as well. And regardless of size, businesses provide the number one asset that working Texans need – a job.</p>	
<p>HB 2394 By Rep. Darby</p>	<p>Relating to the compelled production of certain customer records by a financial institution.</p>	<p>Investments & Financial Services</p>	<p>Currently, a financial institute may only produce a financial record, in response to a record request, if the requesting party provides the financial costs to the institution before the record is produced. However, instances have occurred in which financial institutions have produced these records, without compensation, for fear of facing contempt of court charges. HB 2394 specifies that financial institutions cannot be ordered by a court to produce a requested record nor can they be in contempt of court for failing to produce the record if the requesting party has not paid for those costs. Financial institutions are not responsible for the costs that come along with the production of record and will now have statutory protections that prevent them from being burdened with that cost.</p>	<p><u>Will of the House</u> Evaluated by: Brittany Reyes 512-763-0031 brittany@texaslsg.org</p>
<p>HB 2350 By Rep. Anderson, C.</p>	<p>Relating to the amount that may be used to guarantee loans under the Texas Agricultural Finance Authority’s agricultural loan</p>	<p>Agriculture & Livestock</p>	<p>HB 2350 increases the cap in loans for the Texas Agricultural Fund, positively impacting the Texas Agricultural Finance Authority’s (TAF) agricultural loan guarantee program. Currently, the Texas Agricultural Fund may give loans totaling three-fourths of the total amount contained in the fund. The bill will increase the cap to three times the fund total, bringing up the loans to industry standards. TAF loans are highly collateralized. Any default debt can be reclaimed by sale of the land or equipment purchased with funds from the loan. However, no loan issued by TDA after 2010 has defaulted. HB 2350 will aid Texas families in purchasing land and equipment needed to start or continue agricultural practices vital to the economy of our state.</p>	<p><u>Favorable</u> Evaluated by: Cathryn Taub 512-763-0031 cathryn@texaslsg.org</p>

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