#### **BILL ANALYSIS**

Senate Research Center 77R10937 QS-F

C.S.S.B. 1223
By: West, Royce
Jurisprudence
3/28/2001
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Currently, Chapter 52 of the Government Code sets out provisions governing the registration, certification and operation of court reporters in Texas. C.S.S.B. 1223 amends those provisions to establish a registration system for court reporting firms and amends provisions regarding the composition of the Court Reporters Certification Board to include representatives from certified shorthand reporter-owned firms and non-certified shorthand reporter-owned firms.

#### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the supreme court in SECTION 3 (Section 52.002, Government Code) of this bill.

#### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 52, Government Code, as follows:

# CHAPTER 52. New heading: COURT REPORTERS AND SHORTHAND REPORTING FIRMS

SECTION 2. Amends Section 52.001, Government Code, by adding Subdivisions (6) and (7), to define "shorthand reporting firm," "court reporting firm," "affiliate office," and "registration.

SECTION 3. Amends Section 52.002, Government Code, to authorize the supreme court to adopt rules consistent with this chapter, including rules governing the certification and conduct of official and deputy court reporters and shorthand reporters, and the registration and conduct of court reporting and shorthand reporting firms.

SECTION 4. Amends Section 52.011(a), Government Code, to provide that the Court Reporters Certification Board (board) is appointed by the supreme court and is composed of certain specific persons.

SECTION 5. Amends Section 52.012(b), Government Code, to provide that seven, rather than five, members of the board constitute a quorum.

SECTION 6. Amends Sections 52.013(a) and (c), Government Code, to set forth certain actions required of the board. Sets forth information the board is required to maintain.

SECTION 7. Amends Chapter 52C, Government Code, as follows:

SUBCHAPTER C. New heading: CERTIFICATION AND REGISTRATION

SECTION 8. Amends Section 52.021, Government Code, as follows:

Section 52.021. New heading: CERTIFICATION OF REPORTERS.

SECTION 9. Amends Sections 52.021(g), (h), and (i), Government Code, to authorize the board to enforce this section by seeking an injunction or by filing a complaint against a person who is not certified by the supreme court in the district court of the county in which that person resides or Travis County. Deletes existing Subsection (h) and (i) regarding registration with the board and rules applicable to a court reporting firm.

SECTION 10. Amends Chapter 52C, Government Code, by adding Section 52.0255, as follows:

Sec. 52.0255. FIRM REGISTRATION. (a) Prohibits a shorthand reporting firm from assuming or using the title or designation "court recording firm," "court reporting firm," "shorthand reporting firm," or any abbreviation, title, designation, words, letters, sign, card, or device tending to indicate that the firm is a court reporting firm or shorthand reporting firm, or offering services as a court reporting firm or shorthand reporting firm, unless that firm and its affiliate offices are registered with the board, on a form prescribed by the board, as required by this chapter.

(b) Authorizes the board to enforce this section against a firm, its affiliate office, or both, if the firm or affiliate office is not registered with the board, by seeking an injunction or by filing a complaint in the district court of the county in which the firm or affiliate office is located or in Travis County. Requires an action for an injunction to be in addition to any other action, proceeding, or remedy authorized by law. Requires the attorney general, a county or district attorney of this state, or counsel designated and empowered by the board to represent the board.

SECTION 11. Amends Sections 52.026 and 52.027, Government Code, as follows:

Sec. 52.026. New heading: CERTIFICATION AND REGISTRATION FEE AND RENEWAL. Requires a person who receives certification as a shorthand reporter or a shorthand reporting firm or affiliate office that registers with the board to pay the initial fee, rather than initial certification fee, and any other required fee before receiving the certification or registration. Provides that a certification or registration expires at 12:01 a.m. on January 1 following the second anniversary of the date on which it was issued unless the certification or registration is renewed. Authorizes the board to reinstate a registration that has been expired for more than 120 days if the board finds, on a sworn affidavit of the registrant or by another method determined by the board, that the registrant has corrected all deficiencies and has paid all delinquent renewal fees and outstanding fines. Makes confirming changes.

Sec. 52.027. Requires that a person, to file a complaint against a certified shorthand reporter or a shorthand reporting firm or affiliate office registered with the board, must meet certain conditions, including having personal knowledge of the alleged violations. Requires the board, on receipt of a properly executed complaint, to furnish a copy of the complaint and any attachments to the shorthand reporter, rather than certified shorthand reporter, or shorthand reporting firm or affiliate office that is the subject of the complaint. Provides that this section does not preclude the board or a court of this state, from filing a complaint against a certified shorthand reporter or a shorthand reporting firm.

SECTION 12. Amends Section 52.028(b) and (g), Government Code, to make conforming and nonsubstantive changes.

SECTION 13. Amends Section 52.029, Government Code, as follows:

Sec. 52.029. New heading: DISCIPLINARY ACTIONS AGAINST COURT REPORTERS. Authorizes the board, after receiving a verified complaint and giving the certified shorthand reporter notice and an opportunity for a hearing as prescribed by Section

52.028, to revoke or suspend the shorthand reporter's certification or issue a reprimand to the reporter for certain offenses, including unprofessional conduct, including giving directly or indirectly, benefitting from, or being employed as a result of any gift, incentive, reward, or anything of value to attorneys, clients, or their representatives or agents, except for nominal items that do not exceed \$100 in the aggregate, rather than \$25 each transaction and \$50 in the aggregate, for each recipient each year, and entering into or providing services under a prohibited contract described by Section 52.034.

SECTION 14. Amends Chapter 52C, Government Code, by inserting a new Section 52.095, as follows:

Sec. 52.095. DISCIPLINARY ACTIONS AGAINST FIRMS. (a) Authorizes the board, after receiving a verified complaint and giving the shorthand reporting firm or affiliate office notice and an opportunity for a hearing, as prescribed by Section 52.028, to reprimand, assess a reasonable fine against, or suspend or revoke the registration of a shorthand reporting firm or affiliate office for certain offenses.

- (b) Prohibits Subsection (a)(9) from being construed to define providing value-added services, including long-term volume discounts, such as the pricing of products and services, as prohibitive gifts, incentives or rewards.
- (c) Authorizes the board to suspend the registration of a shorthand reporting firm or affiliate office for a designated period of time, until the shorthand reporting firm or affiliate office corrects the deficiencies that were the grounds for the suspension, or until the shorthand reporting firm or affiliate office complies with any conditions imposed by the board to ensure the shorthand reporting firm or its affiliate office's future performance.
- (d) Authorizes a shorthand reporting firm or affiliate office whose registration is suspended to apply for reinstatement by presenting certain specific proof.
- (e) Authorizes the board, on its own motion, to conduct a hearing to inquire into a suspension. Authorizes the board, if the board finds that a shorthand reporting firm or affiliate office has not corrected the deficiencies that were the grounds of the suspension or has not complied with the conditions imposed by the board, to revoke the registration of the shorthand reporting firm or its affiliate office.

SECTION 15. Amends Section 52.030, Government Code, to authorize an aggrieved court reporter or shorthand reporting firm or affiliate office, rather than person, to appeal a disciplinary action of the board to a district court in the county of the court reporter's, rather than person's, residence or in the county in which the shorthand reporting firm or affiliate office is located or in Travis County. Requires the presiding judge of the administrative judicial region, if the aggrieved person is the official or deputy court reporter of the court in which the appeal will be heard or if the shorthand reporting firm or affiliate officer provides the official or deputy court reporter of the court in which the appeal will be heard, to appoint the judge of another court or a retired judge to hear and determine the complaint.

SECTION 16. Requires the board to issue a registration as required by Section 52.013(a)(7), Government Code, as added by this Act, to each court reporting firm that registered with the board as required by Section 52.021(h), Government Code, before the effective date of this Act.

SECTION 17. Sets forth provisions regarding the supreme court's appointment of two representatives of shorthand reporting firms to the board as required by Section 52.011(a), Government Code, as amended by this Act.

SECTION 18. Provides that this Act applies to services performed by a Texas Certified Shorthand

Reporter, registered shorthand reporting firm or its registered affiliate office to be used in litigation filed in Texas. Provides that should court reporting services be performed outside this state for litigation filed in Texas, this Act applies only to the extent it does not conflict with the rules, regulations and statutes of the court reporting profession in the state in which those services are performed.

SECTION 19. Effective date: September 1, 2001.

## **SUMMARY OF COMMITTEE CHANGES**

SECTIONS 1 - 3 No change.

SECTION 4. Differs from the original by amending the previously proposed changes to the provisions regarding the composition of the Court Reporters Certification Board (board).

SECTION 5. Differs from the original by amending the previously proposed changes to the provisions regarding the determination of a quorum of the board.

SECTION 6. No change.

SECTION 7. Differs from the original by amending the previously proposed change to the heading of Chapter 52C, Government Code, and moves the previously proposed change to Section 52.021 to a new SECTION 8 with no change.

Redesignates previously proposed SECTIONS 8 - 15 as SECTIONS 9 - 16 and amends them as follows:

SECTION 9. Differs from the original by making nonsubstantive changes.

SECTION 10. Differs from the original by amending the section number added to Chapter 52C, Government Code, from Section 52.026 to Section 52.0255 and removing the previously necessary renumbering. Makes nonsubstantive changes.

SECTION 11. Differs from the original by amending the title of the previously proposed new section. Makes conforming and nonsubstantive changes.

SECTION 12. Differs from the original by making conforming and nonsubstantive changes.

SECTION 13. Differs from the original by amending previously proposed changes to the provisions regarding the value of nominal items not to be exceeded. Makes conforming and nonsubstantive changes.

SECTION 14. Differs from the original by amending the section number added to Chapter 52C, Government Code, from Section 52.031 to Section 52.0295 and removing the previously necessary renumbering. Adds provisions regarding the authority of the board to reprimand and assess a reasonable fine against the registration of a shorthand reporting firm or affiliate officer for certain offenses. Deletes previously proposed new text regarding a shorthand reporting firm engaging the services of certain reporters. Adds provisions regarding a shorthand reporting firm entering into or providing services under certain prohibited contracts. Adds provisions regarding value-added business services. Makes conforming and nonsubstantive changes.

SECTION 15. Differs from the original by replacing existing text regarding aggrieved persons with text regarding aggrieved court reporters. Amends previously proposed changes to the provisions regarding the appeal of disciplinary action. Makes conforming and nonsubstantive changes.

SECTION 16. Differs from the original by amending previously proposed provisions regarding the

board's issuance of a registration.

Adds new SECTIONS 17 and 18.

Redesignates previously proposed SECTION 16 as SECTION 19 containing the effective date with no change.