TEXAS REGISTER

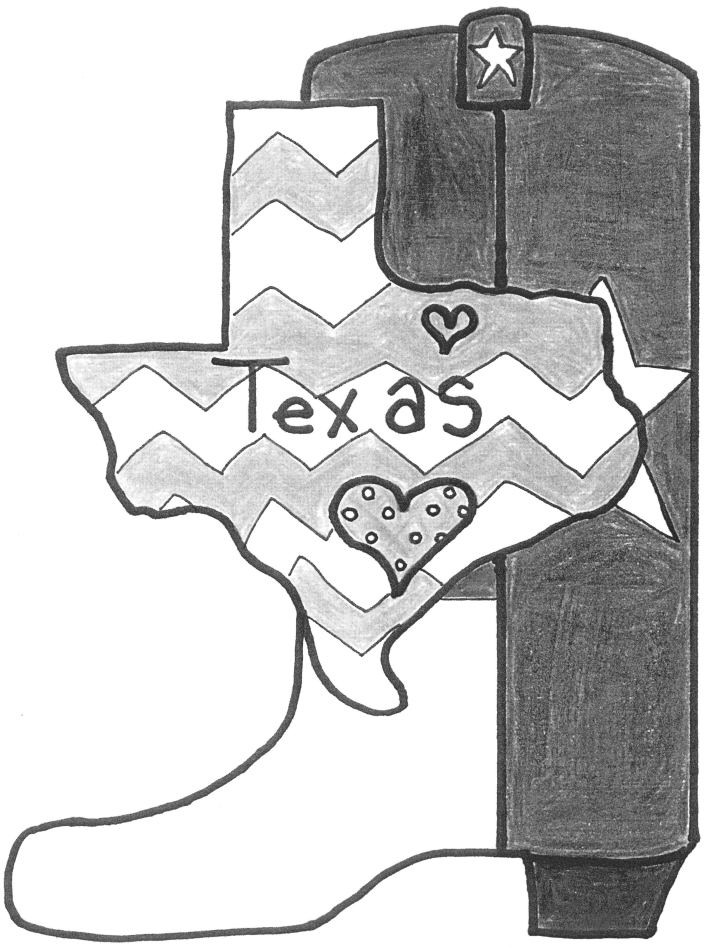
Volume 51 Number 6 *February 6, 2026* *Pages 655 – 776*

In This Issue

General Land Office

Texas Health and Human Services Commission

North Central Texas Council of Governments


Texas

THE GOVERNOR

As required by Government Code, §2002.011(4), the *Texas Register* publishes executive orders issued by the Governor of Texas. Appointments and proclamations are also published. Appointments are published in chronological order. Additional information on documents submitted for publication by the Governor's Office can be obtained by calling (512) 463-1828.

Appointments

Appointments for January 28, 2026

Appointed to the Gulf Coast Protection District Board of Directors for a term to expire June 16, 2029, Sally L. Bakko of League City, Texas.

Appointed to the Gulf Coast Protection District Board of Directors for a term to expire June 16, 2029, Michel J. Bechtel of Morgan's Point, Texas.

Appointed to the Gulf Coast Protection District Board of Directors for a term to expire June 16, 2029, Roger D. Guenther of Galveston, Texas.

Appointed to the Gulf Coast Protection District Board of Directors for a term to expire June 16, 2029, Sharon D. Hulgan of Friendswood, Texas.

Appointed to the Gulf Coast Protection District Board of Directors for a term to expire June 16, 2029, Lori J. Traweek of Seabrook, Texas.

Appointed as the presiding officer of the Gulf Coast Protection District Board of Directors for a term to expire January 28, 2028, Roger D. Guenther of Galveston, Texas.

Greg Abbott, Governor

TRD-202600337

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Proclamation 41-4260

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, do hereby certify that severe winter weather poses an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged freezing temperatures, heavy snow, icy conditions, and freezing rain in several counties; and

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby declare a state of disaster for Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Bosque, Bowie, Briscoe, Brown, Callahan, Camp, Carson, Cass, Castro, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Comanche, Cooke, Cottle, Crane, Crosby, Culberson, Dallam, Dallas, Dawson, Deaf Smith, Delta, Denton, Dickens, Donley, Eastland, Ector, El Paso, Ellis, Erath, Fannin, Fisher, Floyd, Foard, Franklin, Gaines, Garza, Glasscock, Gray, Grayson, Gregg, Hale, Hall, Hamilton, Hansford, Hardeman, Harrison, Hartley, Haskell, Hemphill, Henderson, Hill, Hockley, Hood, Hopkins, Howard, Hudspeth, Hunt, Hutchinson, Jack, Johnson, Jones, Kaufman, Kent, King, Knox, Lamar, Lamb, Lipscomb, Loving, Lubbock, Lynn, Marion, Martin, Midland, Mitchell, Montague, Moore, Morris, Motley, Navarro, Nolan, Ochiltree, Oldham, Palo Pinto, Parker, Parmer, Potter, Rains, Randall, Reagan, Red River, Reeves, Roberts, Rockwall, Runnels, Scurry, Shackelford, Sherman, Smith, Somervell, Stephens, Sterling, Stonewall, Swisher, Tarrant, Taylor, Terry, Throckmorton, Titus, Tom Green, Upshur, Upton, Van Zandt, Ward, Wheeler, Wichita, Wilbarger, Winkler, Wise, Wood, Yoakum, and Young Counties.

Pursuant to Section 418.017 of the code, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016 of the code, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster, I hereby authorize the suspension of such statutes and rules for the duration of this declared disaster.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 22nd day of January, 2026.

Greg Abbott, Governor

TRD-202600243

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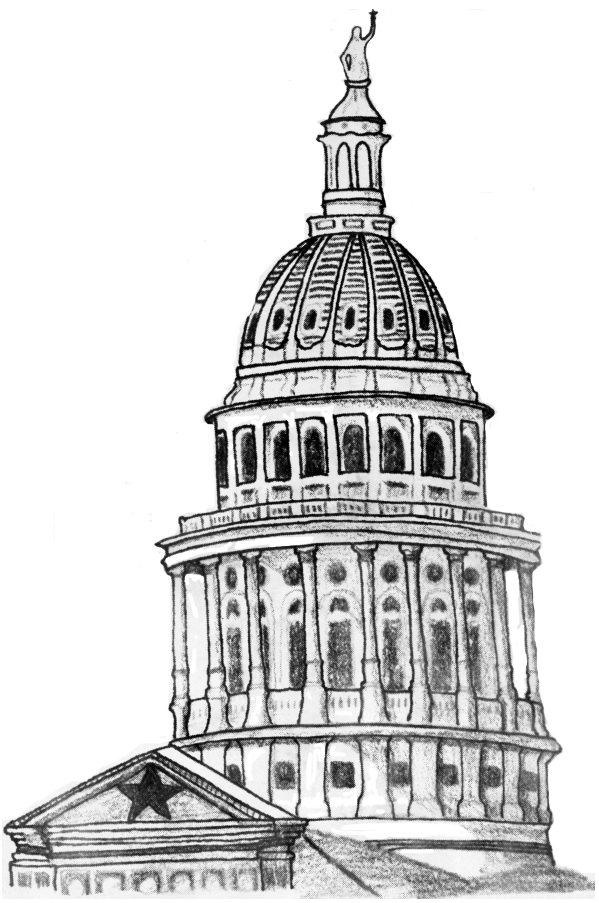

THE ATTORNEY GENERAL

The *Texas Register* publishes summaries of the following: Requests for Opinions, Opinions, and Open Records Decisions.

An index to the full text of these documents is available on the Attorney General's website at https://www.texas.attorneygeneral.gov/attorney-general-opinions. For information about pending requests for opinions, telephone (512) 463-2110.

An Attorney General Opinion is a written interpretation of existing law. The Attorney General writes opinions as part of his responsibility to act as legal counsel for the State of Texas. Opinions are written only at the request of certain state officials. The Texas Government Code indicates to whom the Attorney General may provide a legal opinion. He may not write legal opinions for private individuals or for any officials other than those specified by statute. (Listing of authorized requestors: https://www.texasattorneygeneral.gov/attorney-general-opinions.)

Requests for Opinions

RQ-0627-KP

Requestor:

The Honorable Donna Campbell, M.D.

Chair, Senate Committee on Nominations

Texas State Senate

Post Office Box 12068

Austin, Texas 78711-2068

Re: Eligibility for service as a commissioner on a governing board of an emergency services district under Health & Safety Code § 775.034 (RQ-0627-KP)

For further information, please access the website at www.texasattorneygeneral.gov or call the Opinion Committee at (512) 463-2110.

TRD-202600317
Justin Gordon
General Counsel
Office of the Attorney General
Filed: January 27, 2026

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Opinions

Opinion No. KP-0506

Ms. Shandra Carter

Executive Director

Texas Juvenile Justice Department

Post Office Box 12757

Austin, Texas 78701

Re: Office of Independent Ombudsman authority to interview youth and inspect facilities under Chapter 261 of the Human Resources Code (RQ-0583-KP)

S U M M A R Y

The Office of Independent Ombudsman is authorized under subsections 261.101(a)(2) and (a)(3) of the Human Resources Code to interview a child adjudicated for delinquent conduct constituting a felony and committed to the Department who is located at a county pre-adjudication facility.

The Office is also authorized to inspect a county pre-adjudication facility under subsection 261.101(a)(4) if a child adjudicated for delinquent conduct constituting a felony and committed to the Department is placed there by the Department or juvenile probation department. Likewise, the Office may inspect the same under subsection 261.101(f)(1)(D) if the child is placed there by court order.

Opinion No. KP-0507

The Honorable Brad Buckley, DVM

Chair, House Committee on Public Education Texas

House of Representatives

Post Office Box 2910

Austin, Texas 78768-2910

Re: Village authority to reduce a Local Option Homestead Exemption (RQ-0594-KP)

S U M M A R Y

Subsection 11.13(n-1) of the Tax Code prohibits the governing body of a school district, municipality, or county from repealing or reducing the local option homestead exemption from the amount that was adopted for the 2022 tax year through the 2027 tax year. Thus, the Village of Salado's governing body may not reduce the rate of its local option homestead exemption for fiscal year 2025-2026 from that adopted for the 2022 tax year.

Opinion No. KP-0508

The Honorable Ashley Cain Land

Chambers County Attorney

Post Office Box 1200

Anahuac, Texas 77514

Re: Whether "advanced recycling facilities" engage in "recycling" under Texas law (RQ-0602-KP)

S U M M A R Y

Advanced recycling facilities that use pyrolysis on post-use polymers are engaged in recycling under the Solid Waste Disposal Act.

Opinion No. KP-0509

The Honorable Kelly Hancock

Acting Comptroller of Public Accounts

Post Office Box 13528

Austin, Texas 78711-3528

Re: Eligibility of certain private schools to participate in the Texas Education Freedom Accounts program (RQ-0625-KP)

S U M M A R Y

Texas Education Code section 29.358(h)(2)'s "other relevant law" provision incorporates by reference other laws that govern the lawful operation of educational service providers and vendors that aspire to participate in the Texas Education Freedom Accounts program. This includes the prohibition on property ownership by transnational criminal organizations as well as the categorical bar on providing material support to foreign terrorist organizations, both of which govern educational service providers and vendors alike. But the Legislature has charged the Comptroller with the exclusive duty of finding facts on which such "relevant law" can be applied.

For further information, please access the website at www.texasattorneygeneral.gov or call the Opinion Committee at (512) 463-2110.

TRD-202600318
Justin Gordon
General Counsel
Office of the Attorney General
Filed: January 27, 2026

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TEXAS ETHICS COMMISSION

The Texas Ethics Commission is authorized by the Government Code, §571.091, to issue advisory opinions in regard to the following statutes: the Government Code, Chapter 302; the Government Code, Chapter 305; the Government Code, Chapter 572; the Election Code, Title 15; the Penal Code, Chapter 36; and the Penal Code, Chapter 39. Requests for copies of the full text of opinions or questions on particular submissions should be addressed to the Office of the Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711-2070, (512) 463-5800.

Ethics Advisory Opinion Requests

Whether submitting inquiries or requesting a formal written opinion from certain state officials on behalf of an entity classified as a "foreign adversary" would require registration under Chapter 305, Texas Government Code. (AOR-740.)

The Texas Ethics Commission is authorized by section 571.091 of the Government Code to issue advisory opinions in regard to the following statutes: (1) Chapter 572, Government Code; (2) Chapter 302, Government Code; (3) Chapter 303, Government Code; (4) Chapter 305, Government Code; (5) Chapter 2004, Government Code; (6) Title 15, Election Code; (7) Chapter 159, Local Government Code; (8) Chapter 36, Penal Code; (9) Chapter 39, Penal Code; (10) Section 2152.064, Government Code; and (11) Section 2155.003, Government Code.

Questions on particular submissions should be addressed to the Texas Ethics Commission, P.O. Box 12070, Capitol Station, Austin, Texas 78711-2070, (512) 463-5800 or opinions@ethics.state.tx.us.

Issued in Austin, Texas on January 26, 2026.

TRD-202600290
Amanda Arriaga
General Counsel
Texas Ethics Commission
Filed: January 26, 2026

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Whether a video recorded with students at a charter school is political advertising for the purposes of Sections 255.003 and 255.001 of the Election Code. (AOR-741.)

The Texas Ethics Commission is authorized by section 571.091 of the Government Code to issue advisory opinions in regard to the following statutes: (1) Chapter 572, Government Code; (2) Chapter 302, Government Code; (3) Chapter 303, Government Code; (4) Chapter 305, Government Code; (5) Chapter 2004, Government Code; (6) Title 15, Election Code; (7) Chapter 159, Local Government Code; (8) Chapter 36, Penal Code; (9) Chapter 39, Penal Code; (10) Section 2152.064, Government Code; and (11) Section 2155.003, Government Code.

Questions on particular submissions should be addressed to the Texas Ethics Commission, P.O. Box 12070, Capitol Station, Austin, Texas 78711-2070, (512) 463-5800 or opinions@ethics.state.tx.us.

Issued in Austin, Texas, on January 26, 2026.

TRD-202600291
Amanda Arriaga
General Counsel
Texas Ethics Commission
Filed: January 26, 2026

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Whether a current state employee may accept a job with a company when he participated in a procurement involving that same company during his state service without violating Section 572.069 of the Government Code. (AOR-742.)

The Texas Ethics Commission is authorized by section 571.091 of the Government Code to issue advisory opinions in regard to the following statutes: (1) Chapter 572, Government Code; (2) Chapter 302, Government Code; (3) Chapter 303, Government Code; (4) Chapter 305, Government Code; (5) Chapter 2004, Government Code; (6) Title 15, Election Code; (7) Chapter 159, Local Government Code; (8) Chapter 36, Penal Code; (9) Chapter 39, Penal Code; (10) Section 2152.064, Government Code; and (11) Section 2155.003, Government Code.

Questions on particular submissions should be addressed to the Texas Ethics Commission, P.O. Box 12070, Capitol Station, Austin, Texas 78711-2070, (512) 463-5800 or opinions@ethics.state.tx.us.

Issued in Austin, Texas, on January 26, 2026.

TRD-202600292
Amanda Arriaga
General Counsel
Texas Ethics Commission
Filed: January 26, 2026

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Whether a tax rate election ("TRE") flier prepared by a school district (the "district") is political advertising for the purposes of Sections 255.003 of the Election Code. (AOR-744.)

The Texas Ethics Commission is authorized by section 571.091 of the Government Code to issue advisory opinions in regard to the following statutes: (1) Chapter 572, Government Code; (2) Chapter 302, Government Code; (3) Chapter 303, Government Code; (4) Chapter 305, Government Code; (5) Chapter 2004, Government Code; (6) Title 15, Election Code; (7) Chapter 159, Local Government Code; (8) Chapter 36, Penal Code; (9) Chapter 39, Penal Code; (10) Section 2152.064, Government Code; and (11) Section 2155.003, Government Code.

Questions on particular submissions should be addressed to the Texas Ethics Commission, P.O. Box 12070, Capitol Station, Austin, Texas 78711-2070, (512) 463-5800 or opinions@ethics.state.tx.us.

Issued in Austin, Texas, on January 26, 2026.

TRD-202600293
Amanda Arriaga
General Counsel
Texas Ethics Commission
Filed: January 26, 2026

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Whether a video constitutes political advertising for the purposes of the Election Code's prohibition against using public funds for political advertising. (AOR-745.)

The Texas Ethics Commission is authorized by section 571.091 of the Government Code to issue advisory opinions in regard to the following statutes: (1) Chapter 572, Government Code; (2) Chapter 302, Government Code; (3) Chapter 303, Government Code; (4) Chapter 305, Government Code; (5) Chapter 2004, Government Code; (6) Title 15, Election Code; (7) Chapter 159, Local Government Code; (8) Chapter 36, Penal Code; (9) Chapter 39, Penal Code; (10) Section 2152.064, Government Code; and (11) Section 2155.003, Government Code.

Questions on particular submissions should be addressed to the Texas Ethics Commission, P.O. Box 12070, Capitol Station, Austin, Texas 78711-2070, (512) 463-5800 or opinions@ethics.state.tx.us.

Issued in Austin, Texas, on January 26, 2026.

TRD-202600294
Amanda Arriaga
General Counsel
Texas Ethics Commission
Filed: January 26, 2026

EMERGENCY RULES

Emergency Rules include new rules, amendments to existing rules, and the repeals of existing rules. A state agency may adopt an emergency rule without prior notice or hearing if the agency finds that an imminent peril to the public health, safety, or welfare, or a requirement of state or federal law, requires adoption of a rule on fewer than 30 days' notice. An emergency rule may be effective for not longer than 120 days and may be renewed once for not longer than 60 days (Government Code, §2001.034).

TITLE 25. HEALTH SERVICES

PART 1. DEPARTMENT OF STATE HEALTH SERVICES

CHAPTER 300. MANUFACTURE, DISTRIBUTION, AND RETAIL SALE OF CONSUMABLE HEMP PRODUCTS

SUBCHAPTER A. GENERAL PROVISIONS

25 TAC §300.101

The Department of State Health Services is renewing the effectiveness of emergency amended §300.101 for a 60-day period. The text of the emergency rule was originally published in the October 17, 2025, issue of the *Texas Register* (50 TexReg 6745).

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600173
Nycia Deal
Attorney
Department of State Health Services
Original effective date: October 2, 2025
Expiration date: March 30, 2026
For further information, please call: (512) 719-3521

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SUBCHAPTER G. RESTRICTIONS OF CONSUMABLE HEMP PRODUCT SALES TO MINORS

25 TAC §300.701, §300.702

The Department of State Health Services is renewing the effectiveness of emergency new §300.701 and §300.702 for a 60-day period. The text of the emergency rules was originally published in the October 17, 2025, issue of the *Texas Register* (50 TexReg 6745).

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600174
Nycia Deal
Attorney
Department of State Health Services
Original effective date: October 2, 2025
Expiration date: March 30, 2026
For further information, please call: (512) 719-3521

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TEXAS
Lone Star State

Proposed rules include new rules, amendments to existing rules, and repeals of existing rules. A state agency shall give at least 30 days' notice of its intention to adopt a rule before it adopts the rule. A state agency shall give all interested persons a reasonable opportunity to submit data, views, or arguments, orally or in writing (Government Code, Chapter 2001).

Symbols in proposed rule text. Proposed new language is indicated by underlined text. [~~Square brackets and strikethrough~~] indicate existing rule text that is proposed for deletion. "(No change)" indicates that existing rule text at this level will not be amended.

TITLE 10. COMMUNITY DEVELOPMENT

PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 1. ADMINISTRATION

SUBCHAPTER A. GENERAL POLICIES AND PROCEDURES

10 TAC §1.4

The Texas Department of Housing and Community Affairs (the Department) proposes amending 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.4, Protest Procedures for Contractors. The purpose of the amended section is to make several minor changes to bring this rule into greater compliance with the rules of the Texas Comptroller of Public Accounts found at 34 TAC Chapter 20, Subchapter F, Division 3.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the amendment would be in effect:

1. The amended section does not create or eliminate a government program but relates to minor revisions to bring the rule into greater compliance with the Comptroller's rules on the same subject.

2. The amended section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The amended section does not require additional future legislative appropriations.

4. The amended section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The amended section is not creating a new regulation.

6. The amended section will not expand, limit, or repeal an existing regulation.

7. The amended section will not increase or decrease the number of individuals subject to the rule's applicability.

8. The amended section will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the amended section and determined that it will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amended section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the amended section as to its possible effects on local economies and has determined that for the first five years the amended section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of the new section would be greater consistency between the Department's rule and the Comptroller's rule on the same subject. There will not be economic costs to individuals required to comply with the amended section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amended section is in effect, enforcing or administering the section does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed amended section and also requests information related to the cost, benefit, or effect of the proposed amended section, including any applicable data, research, or analysis from any person required to comply with the rule or any other interested person. The public comment period will be held February 6, 2026 to March 8, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 8, 2026.

STATUTORY AUTHORITY. The amended section is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the amended section affects no other code, article, or statute.

§1.4. Protest Procedures for Contractors.

(a) Purpose. The purpose of this rule provides for the Department's compliance with 34 TAC Chapter 20, Subchapter F, Division 3, the rules of the Texas Comptroller of Public Accounts addressing procurement, which require state agencies to adopt protest procedures consistent with the Comptroller's procedures.

(b) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Board--The Governing Board of the Department.

(2) Department--The Texas Department of Housing and Community Affairs.

(3) Interested Parties-- All vendors who have submitted bids or proposals for the contract involved. A list of interested parties is available upon request from the Department.

(4) Protest--A written objection submitted to the Department by any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a procurement contract by the Department.

(c) These procedures are for Department procurements only. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with a solicitation, evaluation, or award may formally protest to the Department's Purchasing Officer.

(d) To be considered timely, the Protest must be filed in accordance with the requirements of 34 TAC §20.535(b).

(e) To be considered complete, the Protest must be in writing, signed by an authorized representative, notarized, and contain:

(1) a specific identification of the statutory or regulatory provision(s) that the Person submitting the Protest alleges to have been violated;

(2) a specific description of each action [~~act made by the Department~~] that the Person submitting the Protest alleges to have been violated specified in the statutory or regulatory provision(s) identified in paragraph (1) of this Subsection;

(3) a precise statement of the relevant facts including:

(A) sufficient documentation to establish that the Protest has been timely filed;

(B) a description of the adverse impact to the Department and [~~or~~] the state; and

(C) a description of the resulting adverse impact to the protesting vendor;

(4) a statement of the argument and authorities that the Person submitting the Protest offers in support of the Protest;

(5) an explanation of the subsequent action the Person submitting the Protest is requesting; and

(6) except for a Protest that concerns the solicitation documents or actions associated with the publication of solicitation documents, a statement confirming that copies of the Protest have been mailed or delivered to other identifiable Interested Parties.

(f) The Purchasing Officer shall have the initial authority to settle and resolve the Dispute concerning the solicitation or award of a contract. The Purchasing Officer may dismiss the Protest if it is not timely filed or does not meet the requirements of this section. The Purchasing Officer may solicit written responses to the Protest from other Interested Parties.

(g) If the Protest is not resolved by mutual agreement, the Purchasing Officer will provide a written recommendation to the Department's Executive Director.

(h) The Executive Director shall issue a final written determination on the Protest within 15 calendar days after receipt of the Purchasing Officer's recommendation in accordance with the requirements of 34 TAC §20.537(c).

(i) In the alternative, the Executive Director may, in his or her discretion, refer the matter to the Department's Governing Board for their consideration at a regularly scheduled meeting. The decision of the Board shall be final.

(j) A protesting party may appeal the determination of the Executive Director under Subsection (h) [~~(g)~~] of this section to the Department's Governing Board. An appeal of the Executive Director's determination must be in writing and received by the Purchasing Officer not later than 10 calendar days after the date the Executive Director sent written notice of their determination. The scope of the appeal shall be limited to review of the Executive Director's determination. The protesting party must mail or deliver to all other interested parties a copy of the appeal, which must contain a certified statement that such copies have been provided.

(1) The appeal will be presented for consideration at the next regularly scheduled meeting of the Governing Board. The decision of the Governing Board shall be final.

(2) An appeal that is not filed timely shall not be considered unless good cause for delay is shown in writing relating to issues that are significant to agency procurement practices or procedures, or the Department's General Counsel makes such a determination.

(k) All documents collected by the Department as part of a solicitation, evaluation, and/or award of a contract shall be retained with the procurement file according to Department's Records Retention Schedule.

(l) The Department reserves all of its rights under 34 TAC §20.536. The Department may award a solicitation or award without delay, in spite of a timely filed Protest, to protect the best interests of the state.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600228
Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-3959

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10 TAC §1.5

The Texas Department of Housing and Community Affairs (the Department) proposes amending 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5, Waiver Applicability in the Case of State or Federally Declared Disasters. The purpose of the amended section is to make several minor changes to provide greater clarity around when the Executive Director can waive rules when there have been state or federal regulatory waivers in response to state or federal disasters.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the amendment would be in effect:

1. The amended section does not create or eliminate a government program but relates to minor revisions to make the rule more clear.

2. The amended section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The amended section does not require additional future legislative appropriations.

4. The amended section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The amended section is not creating a new regulation.

6. The amended section will not expand, limit, or repeal an existing regulation.

7. The amended section will not increase or decrease the number of individuals subject to the rule's applicability.

8. The amended section will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the amended section and determined that it will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amended section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the amended section as to its possible effects on local economies and has determined that for the first five years the amended section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of the new section would be a more clear rule. There will not be economic costs to individuals required to comply with the amended section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amended section is in effect, enforcing or administering the section does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed amended section and also requests information related to the cost, benefit, or effect of the proposed amended section, including any applicable data, research, or analysis from any person required to comply with the rule or any other interested person. The public comment period will be held February 6, 2026 to March 8, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 8, 2026.

STATUTORY AUTHORITY. The amended section is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the amended section affects no other code, article, or statute.

§1.5. Waiver Applicability in the Case of State or Federally Declared Disasters.

(a) When the federal government has provided the Department a waiver, suspension, or contract amendment of a federal programmatic regulation, federal statute, or contract term in response to a state or federally declared disaster, and the requirement waived, suspended, or amended had been codified in this title, the Executive Director or designee may waive, suspend, or modify the rule within this title, if:

(1) the Executive Director or designee has determined that not doing so may negatively affect the health, safety, or welfare of program recipients;

(2) such waiver, suspension, or modification to the rule within this title is clearly related to the federally provided waiver, suspension, or modification; and

(3) such waiver or suspension would not have negatively affected the selection of an awardee who has received a competitive award of Department resources.

(b) When the state government has provided the Department a waiver or suspension of a state statute in response to a state or federally declared disaster, and the requirement waived or suspended had been codified in this title, the Executive Director or designee may waive, suspend, or modify the rule within this title, if:

(1) the Executive Director or designee has determined that not doing so may negatively affect the health, safety, or welfare of program recipients;

(2) such waiver, suspension, or modification to the rule within this title must be clearly related to the state provided waiver or suspension;

(3) such waiver or suspension would not have negatively affected the selection of an awardee who has received a competitive award of Department resources; and

(4) the Executive Director or designee has determined that doing so is not inconsistent with any applicable federal statute, regulations or contract requirements.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600229
Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-3959

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10 TAC §1.23

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23, State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action, in order to adopt by reference the 2026 SLIHP.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous adoption by reference the 2026 SLIHP, as required by Tex. Gov't Code §2306.0723.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption in order to adopt by reference the 2026 SLIHP.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated more germane rule that will adopt by reference the 2026 SLIHP. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The 30-day public comment period for the rule will be held Friday, February 6, 2026, to Sunday, March 8, 2026, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Housing Resource Center, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or email info@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, Sunday, March 8, 2026.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the proposed repealed section affects no other code, article, or statute.

§1.23. State of Texas Low Income Housing Plan and Annual Report (SLIHP).

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 21, 2026.

TRD-202600212

Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-3959

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10 TAC §1.23

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the proposed new section is to provide compliance with Tex. Gov't Code §2306.0723 and to adopt by reference the 2026 SLIHP, which offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The 2026 SLIHP reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on performance during the preceding state fiscal year (September 1, 2024, through August 31, 2025).

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it is exempt under item (c)(9) because it is necessary to implement legislation. Tex. Gov't Code §2306.0721 requires that the Department produce a state low income housing plan, and Tex. Gov't Code §2306.0722 requires that the Department produce an annual low income housing report. Tex. Gov't Code §2306.0723 requires that the Department consider the annual low income housing report to be a rule. This rule provides for adherence to that statutory requirement. Further no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed new rule does not create or eliminate a government program, but relates to the adoption, by reference, of the 2026 SLIHP, as required by Tex. Gov't Code §2306.0723.

2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed new rule changes do not require additional future legislative appropriations.

4. The proposed new rule changes will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed new rule will not expand, limit, or repeal an existing regulation.

7. The proposed new rule will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed new rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code §2306.0723.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are no small or micro-businesses subject to the proposed rule for which the economic impact of the rule is projected to be null. There are no rural communities subject to the proposed rule for which the economic impact of the rule is projected to be null.

3. The Department has determined that because the proposed rule will adopt by reference the 2025 SLIHP, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the proposed rule has no economic effect on local employment because the proposed rule will adopt by reference the 2026 SLIHP; therefore, no local employment impact statement is required to be prepared for the rule.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that the proposed rule will adopt by reference the 2026 SLIHP there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule that will adopt by reference the 2026 SLIHP, as required by Tex. Gov't Code §2306.0723. There will not be any economic cost to any individuals required to comply with the new section because the adoption by reference of prior year SLIHP documents has already been in place through the rule found at this section being repealed.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments because the new rule will adopt by reference the 2026 SLIHP.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including

any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The 30-day public comment period for the rule will be held Friday, February 6, 2026, to Sunday, March 8, 2026, to receive input on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Housing Resource Center, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email info@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, Sunday, March 8, 2026.

STATUTORY AUTHORITY. The new section is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the proposed new section affects no other code, article, or statute.

§1.23. State of Texas Low Income Housing Plan and Annual Report (SLIHP).

The Texas Department of Housing and Community Affairs (TDHCA or the Department) adopts by reference the 2026 State of Texas Low Income Housing Plan and Annual Report (SLIHP). The full text of the 2026 SLIHP may be viewed at the Department's website: www.tdhca.texas.gov. The public may also receive a copy of the 2026 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 21, 2026.

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Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
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For further information, please call: (512) 475-3959

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CHAPTER 27. TEXAS FIRST TIME HOMEBUYER PROGRAM RULE

10 TAC §§27.1 - 27.9

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 27, Texas First Time Homebuyer Program Rule, §§27.1 - 27.9. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for repeal because there are no costs associated with the repeal.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Robert Wilkinson, Executive Director, has determined that, for the first five years the repeal will be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous proposed adoption making changes to the rule governing the Texas First Time Homebuyer Program Rule.

2. The repeal does not require a change in work that will require the creation of new employee positions, nor will the repeal reduce work load to a degree that any existing employee positions are eliminated.

3. The repeal does not require additional future legislative appropriations.

4. The repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to the existing procedures for the Texas First time Homebuyer Program.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal will be in effect there will be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated rule that better protects the Department's liens on applicable properties. There will be no economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the repeal. The public comment period will be held February 6, 2026, to March 8, 2026, to receive input on the proposed actions. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS

AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 8, 2026.

STATUTORY AUTHORITY. The repeal is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the proposed repealed sections affect no other code, article, or statute.

§27.1. Purpose.

§27.2. Definitions.

§27.3. Restrictions on Residences Financed and Applicant.

§27.4. Occupancy and Use Requirements.

§27.5. Application Procedure and Requirements for Commitments by Mortgage Lenders.

§27.6. Criteria for Approving Participating Mortgage Lenders.

§27.7. Resale of the Residence.

§27.8. Conflicts with Bond Indentures and Applicable Law.

§27.9. Waiver.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

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Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-3959

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10 TAC §§27.1 - 27.9

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 27, Texas First Time Homebuyer Program Rule, consisting of 10 TAC §§27.1 - 27.9. The purpose of the proposed new rules is to make changes that address lien status for homes purchased under the program. There have recently been instances where the Department's lien status on loans in the portfolio has been jeopardized by lien holders with smaller liens; when those lien holders pursue foreclosure it puts the Department's larger loan at risk of non-repayment.

To prevent this from occurring a policy has been drafted in the rule that specifies that a loan made by the Department must be: 1) first lien if it is the largest loan; or 2) the Department may accept a subordinate lien position if the original principal amount of the leveraged Mortgage Loan is at least 55% of the combined repayable or amortized loans (however, liens related to other subsidized funds provided in the form of grants and non-amortizing mortgage loans, such as deferred payment or forgivable loans, must be subordinate to the Department's mortgage); and 3) For real property encumbered by deed restrictions governed by a property owners' association or homeowners' association, the association shall subordinate its assessment liens in the deed restrictions to the Department's Mortgage Loan.

Tex. Gov't Code §2001.0045(b) does not apply to the rule being adopted, because it meets the exceptions described under items (c)(4) and (9) of that section. The rules relate to a program through which the Department accesses federal bond authority to provide affordable housing opportunities to low income Texans under Treasury Regulations §143. The rule also ensures compliance with Tex. Gov't Code, Subchapter MM, Texas First-Time Homebuyer Program. Even though excepted, it should be noted that no costs are associated with this action that would have prompted a need to be offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Robert Wilkinson, Executive Director, has determined that, for the first five years the new rule will be in effect:

1. The new rule does not create or eliminate a government program, but relates to the readoption of this rule which makes changes to the rules that govern the Texas First Time Homebuyer Program.

2. The new rule does not require a change in work that would require the creation of new employee positions, nor will it reduce work load to a degree that eliminates any existing employee positions.

3. The new rule changes do not require additional future legislative appropriations.

4. The new rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The rule will not limit, expand or repeal an existing regulation but merely revises a rule.

7. The new rule does not increase or decrease the number of individuals to whom this rule applies; and

8. The new rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. This rule relates to the general program guidelines for the First Time Homebuyer Program. The beneficiaries of this program are individual households, therefore no small or micro-businesses are subject to the rule.

3. The Department has determined that because this rule relates only to a revision to a rule that applies to a program for which individual households are the beneficiaries, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new rule does not contemplate

nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because this rule relates to homebuyer assistance to individual households, not limited to any given community or area within the state; therefore no local employment impact statement is required to be prepared for the rule.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that the rule relates only to the continuation of the rules in place there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the proposed new rule will be a more updated rule better protecting the Department's lien status. There will be no economic cost to any individuals required to comply with the proposed new rule because the activities described by the rule has already been in existence.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments as this rule relates only to a process that already exists and is not being significantly revised.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held February 6, 2026, to March 8, 2026, to receive input on the proposed actions. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 8, 2026.

STATUTORY AUTHORITY. The rules are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the proposed new sections affect no other code, article, or statute.

§27.1. Purpose.

(a) The purpose of the Texas First Time Homebuyer Program is to facilitate the origination of single-family Mortgage Loans for eligible first time Homebuyers, and to make available down payment and closing cost assistance to eligible Homebuyers. The Texas First Time Homebuyer Program is administered in accordance with Texas Government Code, Chapter 2306. Chapter 20 of this title (relating to the Single Family Programs Umbrella Rule) does not apply to the activities under this chapter, except if these activities are combined with activities subject to Chapter 20 of this title.

(b) Assistance under this Program is dependent, in part, on the availability of funds. The Department may cease offering all or a part of the assistance available under the program at any time and in its sole discretion.

§27.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Participation Packet indicates otherwise. Other definitions may be found in Texas Government Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 2 of this title (relating to Enforcement).

(1) Applicable Median Family Income--The Department's determination, as permitted by Texas Government Code, §2306.123, of the median income of an individual or family for an area using a source or methodology acceptable under federal law or rule. The Applicable Median Family Income, as updated from time to time, may be found on the Department's website in the "Combined Income and Purchase Price Limits Table."

(2) Applicant--A person or persons applying for financing of a Mortgage Loan under the Program.

(3) Areas of Chronic Economic Distress--Those areas in the state, whether one or more, designated from time to time as areas of chronic economic distress by the state and approved by the U.S. Secretaries of Treasury and Housing and Urban Development, respectively, pursuant to §143(j) of the Code.

(4) Average Area Purchase Price--With respect to a Residence financed under the Program, the average purchase price of single-family residences in the statistical area in which the Residence is located which were purchased during the most recent twelve (12) month period for which statistical information is available, as determined in accordance with §143(e) of the Code.

(5) Code--The Internal Revenue Code of 1986, as amended from time to time.

(6) Contract for Deed Exception--The exception for certain Mortgage Loan eligibility requirements, as provided in the Master Mortgage Origination Agreement, available with respect to a principal residence owned under a contract for deed by a person whose family income is not more than 50% of the area's Applicable Median Family Income.

(7) Federal Housing Administration--A division of the U.S. Department of Housing and Urban Development, also known as FHA.

(8) First Time Homebuyer--A person who has not owned a home during the three (3) years preceding the date on which an application under this program is filed. A person will be considered to have owned a home if the person had a present ownership interest in a home during the three (3) years preceding the date on which the application was filed. In the event there is more than one person applying with respect to a home, each Applicant must separately meet this three year requirement.

(9) Homebuyer--An Applicant that is approved by the Program and purchases a Residence.

(10) Master Mortgage Origination Agreement--The contract between the Department and a Mortgage Lender, together with any amendments thereto, setting forth certain terms and conditions relating to the origination and sale of Mortgage Loans by the Mortgage Lender and the financing of such Mortgage Loans by the Department.

(11) Mortgage Lender--the entity, as defined in §2306.004 of the Tex. Gov't Code, that is participating in the Program and signatory to the Master Mortgage Origination Agreement.

(12) Participation Packet--The application submitted to the Department by the proposed Mortgage Lender to participate in the Program.

(13) Program--The Texas First Time Homebuyer Program.

(14) Purchase Price Limit--The Purchase Price Limits published and updated from time to time in the "Combined Income and Purchase Price Limits Table" found on the Department's website equal to 90% of the Average Area Purchase Price, subject to certain exceptions for Targeted Area Loans.

(15) Qualified Veteran Exemption to First Time Homebuyer Requirement--A qualified veteran who has not previously received financing as a First Time Homebuyer through a single family mortgage revenue bond program is exempt from the requirement to be a First Time Homebuyer. The veteran must certify that he or she has not previously obtained a Mortgage Loan financed by single family mortgage revenue bonds, and is utilizing the veteran exception set forth in §143(d)(2)(D) of the IRS Code. Qualified veterans must also complete a worksheet evidencing qualification as a veteran and provide copies of discharge papers.

(16) Regulations--The applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

(17) Residence--A dwelling in Texas in which an Applicant intends to reside as the Applicant's principal living space. This is intended to have the same meaning as Home as defined in §2306.1071 of the Tex. Gov't Code.

(18) Rural Housing Service--A division of the United States Department of Agriculture, also known as RHS.

(19) Targeted Area--A qualified census tract, as determined in accordance with §6(a)103A-(2)(b)(4) of the Regulations or any successor regulations thereto, or an Area of Chronic Economic Distress. Applicants purchasing in Targeted Areas may have higher income and purchase price limits as set forth in the "Combined Income and Purchase Price Limits Table" found on the Department's website.

(20) Targeted area exemption to First time Homebuyer Requirement--Applicants purchasing homes in targeted areas financed through the program are exempt from the requirement to be a First Time Homebuyer and income and purchase price limits may be higher as found in the "Combined Income and Purchase Price Limits Table" located on the Department's website.

(21) United States Department of Veterans Affairs--Also known as VA.

§27.3. Restrictions on Residences Financed and Applicant.

(a) Type of Residence and Number of Units. To be eligible for assistance under the Program an Applicant must apply with respect to a Residence that is either a new or existing single family residence, new or existing condominium or townhome, or manufactured housing that has been converted to real property in accordance with the Texas Occupations Code, Chapter 1201 or FHA guidelines, as required by the Department. A duplex may be financed under the Program as long as one unit of the duplex is occupied by the Applicant as his or her Residence, and the duplex was first occupied for residential purposes at least five years prior to the closing of the Mortgage Loan.

(b) Homebuyer Education. Each Applicant must complete a Department approved pre-purchase homebuyer education course.

(c) Income Limits. An Applicant applying for a Mortgage Loan must meet Applicable Median Family Income requirements.

(d) Down Payment Assistance. An Applicant meeting the Applicable Median Family Income requirements in subsection (c) of this section may qualify for down payment and closing cost assistance in connection with the Mortgage Loan on a first come, first served basis, subject to availability of funds.

(e) Residential Property Standards. The Residence must meet all standards required by the State of Texas, local jurisdiction, and as required by the Federal Mortgage Lender.

(f) Lien Position Requirements.

(1) A Mortgage Loan made by the Department shall be secured by a first lien on the real property if the Department's Mortgage Loan is the largest Mortgage Loan secured by the real property; or

(2) The Department may accept a subordinate lien position if the original principal amount of the leveraged Mortgage Loan is at least 55% of the combined repayable or amortized loans; however, liens related to other subsidized funds provided in the form of grants and non-amortizing Mortgage Loans, such as deferred payment or Forgivable Loans, must be subordinate to the Department's payable Mortgage Loan; and

(3) For real property encumbered by deed restrictions governed by a property owners' association or homeowners' association, the association shall subordinate its assessment liens in the deed restrictions to the Department's Mortgage Loan.

§27.4. Occupancy and Use Requirements.

(a) Occupancy requirement. The Homebuyer must occupy the property within a reasonable time (not to exceed 60 days) after the date of closing as his or her Residence.

(b) Use for a business. Homebuyer may not use more than 15% of the Residence in a trade or business (including childcare services) on a regular basis for compensation. If the Residence is to be used, in part, for a trade or business, a schematic drawing from an appraiser must be provided.

(c) Homebuyer may not use the Residence, or any part thereof, as an investment property, rental property, vacation or second home, or recreational home, and shall continue to occupy the Residence as Homebuyer's principal living space, unless waived by the Executive Director or their designee, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Homebuyer's control.

§27.5. Application Procedure and Requirements for Commitments by Mortgage Lenders.

(a) An Applicant seeking assistance under the Program must first contact a participating Mortgage Lender. A list of participating Mortgage Lenders may be obtained on the Department's website or by contacting the Department.

(b) Applicant shall complete an application with a participating Mortgage Lender.

(c) Application Fees. Fees that may be collected by the Mortgage Lender from the Applicant relating to a Mortgage Loan include:

(1) an appropriate, as determined by the Department, origination fee and/or buyer/seller points; and

(2) all usual and reasonable settlement or financing costs that are permitted to be so collected by FHA , RHS, VA, Freddie Mac

or Fannie Mae, as applicable, and other applicable laws, but only to the extent such charges do not exceed the usual and reasonable amounts charged in the area in which the Residence is located. Such usual and reasonable settlement or financing costs shall include an application fee as determined by the Department, the total estimated costs of a credit report on the Applicants and an appraisal of the property to be financed with the Mortgage Loan, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and expenses, credit report fees, FHA insurance premiums, private Mortgage guaranty insurance premiums, VA guaranty fees, VA funding fees, RHS guaranty fees, hazard or flood insurance premiums, abstract fees, tax service fees, recording or registration fees, escrow fees, and file preparation fees.

(d) The Department will determine from time to time, a schedule of fees and charges necessary for expenses and reserves of the housing finance division as set forth in a Board resolution.

(e) The Mortgage Lender must register the Mortgage Loan in accordance with the Department's published procedures.

§27.6. Criteria for Approving Participating Mortgage Lenders.

(a) To be approved by the Department for participation in the program, a Mortgage Lender must meet the requirements in the Participation Packet to be a qualified Mortgage Lender as specified by:

(1) FHA;

(2) RHS;

(3) VA; or

(4) be a lender currently participating in the conventional home lending market for loans originated in accordance with Fannie Mae's and/or Freddie Mac's requirements.

(b) As a condition for participation in the Program, a qualified Mortgage Lender must:

(1) agree to originate Mortgage Loans and assign those loans and related Mortgages and servicing to the Department's master servicer;

(2) originate, process, underwrite, close and fund originated loans; and

(3) be an approved Mortgage Lender with the Program's master servicer.

§27.7. Resale of the Residence.

Mortgage Loans that are financed with the proceeds of tax-exempt bonds, or for which a Mortgage Credit Certificate has been or will be issued, will be subject to federal income tax recapture provisions. Assumption of a Mortgage Loan is allowed under the Program if the new owner meets the Program requirements at the time of the sale of the Residence.

§27.8. Conflicts with Bond Indentures and Applicable Law.

All assistance provided under the Program is funded through or facilitated by the Department's mortgage revenue bond indentures and is subject to changes in the mortgage revenue bond indentures and applicable law. If there is a conflict between this chapter and any bond indenture or applicable law regarding the use of the funds from mortgage revenue bonds, the mortgage revenue bond indenture or applicable law shall control.

§27.9. Waiver.

The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the rules governing this Program, except 10 TAC §27.8 (relating to Conflicts with Bond Indentures and Applicable Law), if the Board finds that waiver is appropriate to fulfill the purposes or polices of Texas Government Code, Chapter 2306.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

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Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-3959

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CHAPTER 28. TAXABLE MORTGAGE PROGRAM

10 TAC §§28.1 - 28.9

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 28, Taxable Mortgage Program, §§28.1 - 28.9. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for repeal because there are no costs associated with the repeal.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Robert Wilkinson, Executive Director, has determined that, for the first five years the repeal will be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous proposed adoption making changes to the rule governing the Taxable Mortgage Program.

2. The repeal does not require a change in work that will require the creation of new employee positions, nor will the repeal reduce work load to a degree that any existing employee positions are eliminated.

3. The repeal does not require additional future legislative appropriations.

4. The repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to the existing procedures for the Taxable Mortgage Program.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal will be in effect there will be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated rule that better protects the Department's liens on applicable properties. There will be no economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the repeal. The public comment period will be held February 6, 2026, to March 8, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 8, 2026.

STATUTORY AUTHORITY. The repeal is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the proposed repealed sections affect no other code, article, or statute.

§28.1. Purpose.

§28.2. Definitions.

§28.3. Restrictions on Residences Financed and Applicant.

§28.4. Occupancy and Use Requirements.

§28.5. Application Procedure and Requirements for Commitments by Mortgage Lenders.

§28.6. Criteria for Approving Participating Mortgage Lenders.

§28.7. Resale of the Residence.

§28.8. Conflicts with Bond Indentures and Applicable Law.

§28.9. Waiver.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Bobby Wilkinson
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Texas Department of Housing and Community Affairs
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For further information, please call: (512) 475-3959

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10 TAC §§28.1 - 28.9

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 28, Taxable Mortgage Program Rule, §§28.1 - 28.9. The purpose of the proposed new rules are to make changes that address lien status for homes purchased under the program. There have recently been instances where the Department's lien status on loans in the portfolio has been jeopardized by lien holders with smaller liens; when those lien holders pursue foreclosure it puts the Department's larger loan at risk of non-repayment.

To prevent this from occurring a policy has been drafted in the rule that specifies that a loan made by the Department must be: 1) first lien if it is the largest loan; or 2) the Department may accept a subordinate lien position if the original principal amount of the leveraged Mortgage Loan is at least 55% of the combined repayable or amortized loans (however, liens related to other subsidized funds provided in the form of grants and non-amortizing mortgage loans, such as deferred payment or forgivable loans, must be subordinate to the Department's mortgage); and 3) For real property encumbered by deed restrictions governed by a property owners' association or homeowners' association, the association shall subordinate its assessment liens in the deed restrictions to the Department's Mortgage Loan.

Tex. Gov't Code §2001.0045(b) does apply to the rule being adopted and no exceptions apply. However, no costs are associated with this action that would have prompted a need to be offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Robert Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule will be in effect:

1. The new rules do not create or eliminate a government program, but relates to the readoption of this rule which makes changes to the rules that govern the Taxable Mortgage Program.

2. The new rules do not require a change in work that would require the creation of new employee positions, nor will it reduce work load to a degree that eliminates any existing employee positions.

3. The new rules do changes do not require additional future legislative appropriations.

4. The new rules will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The new rules are not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The rules will not limit, expand or repeal an existing regulation but merely revises a rule.

7. The new rules do not increase or decrease the number of individuals to whom this rule applies; and

8. The new rules will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

1. The Department has evaluated these rules and determined that none of the adverse affect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. These rules relate to the general program guidelines for the Taxable Mortgage Program. The beneficiaries of this program are individual households, therefore no small or micro-businesses are subject to the rules.

3. The Department has determined that because the rule relates only to a revision to a rule that applies to a program for which individual households are the beneficiaries, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new rules do not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the rules as to its possible effects on local economies and has determined that for the first five years the rules will be in effect the new rules have no economic effect on local employment because the rules relates to homebuyer assistance to individual households, not limited to any given community or area within the state; therefore no local employment impact statement is required to be prepared for these rules.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that the rule relates only to the continuation of the rules in place there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the proposed new rule will be a more updated rule reflecting transparent compliant regulations. There will be no economic cost to any individuals required to comply with the proposed new rule because the activities described by the rule has already been in existence.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments as these rules relates only to a process that already exists and is not being significantly revised.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rules and also requests information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis from any person required to comply with the proposed rules or any other interested person. The public comment period will be held February 6, 2026, to March 8, 2026, to receive input on the proposed actions. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 8, 2026.

STATUTORY AUTHORITY. The new rules are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

Except as described herein the proposed new sections affect no other code, article, or statute.

§28.1. Purpose.

(a) The purpose of the Taxable Mortgage Program is to facilitate the origination of single-family mortgage loans and to refinance existing Mortgage Loans for eligible Homebuyers and in both cases to make down payment and closing cost assistance available to eligible Homebuyers. Chapter 20 of this title (relating to the Single Family Programs Umbrella Rule) does not apply to the activities under this chapter, except if these activities are combined with activities subject to Chapter 20 of this title.

(b) Assistance under this program is dependent, in part, on the availability of funds. The Department may cease offering all or a part of the assistance available under the program at any time and in its sole discretion.

§28.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Participation Packet indicates otherwise. Other definitions may be found in Texas Government Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 2 of this title (relating to Enforcement).

(1) Applicable Median Family Income--The Department's determination, as permitted by Texas Government Code, §2306.123, of the median income of an individual or family for an area using a source or methodology acceptable under federal law or rule. The Applicable Median Family Income, as updated from time to time, may be found on the Department's website in the "Combined Income and Purchase Price Limits Table."

(2) Applicant--A person or persons applying for financing of a Mortgage Loan under the Program.

(3) Areas of Chronic Economic Distress--Those areas in the state, whether one or more, designated from time to time as areas of chronic economic distress by the state and approved by the U.S. Secretaries of Treasury and Housing and Urban Development, respectively, pursuant to §143(j) of the Code.

(4) Code--The Internal Revenue Code of 1986, as amended from time to time.

(5) Department Designated Areas of Special Need--Geographic areas designated by the Department from time to time as areas of special need.

(6) Federal Housing Administration--A division of the U.S. Department of Housing and Urban Development, also known as FHA.

(7) Homebuyer--An Applicant that is approved by the Program and purchases a Residence.

(8) Master Mortgage Origination Agreement--The contract between the Department and a Mortgage Lender, together with any amendments thereto, setting forth certain terms and conditions relating to the origination and sale of Mortgage Loans by the Mortgage Lender and the financing of such Mortgage Loans by the Department.

(9) Mortgage Lender--The entity, as defined in §2306.004 of the Texas Government Code, participating in the Program and signatory to the Master Mortgage Origination Agreement.

(10) Participation Packet--The application submitted to the Department by the proposed Mortgage Lender to participate in the Program.

(11) Program--The Taxable Mortgage Program.

(12) Regulations--The applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

(13) Residence--A dwelling in Texas in which an Applicant intends to reside as the Applicant's principal living space. Has the same meaning as Home in Chapter 2306 of the Texas Government Code.

(14) Rural Housing Service--A division of the United States Department of Agriculture, also known as RHS.

(15) Targeted Area--A qualified census tract, as determined in accordance with §6(a)103A-(2)(b)(4) of the Regulations or any successor regulations thereto, or an Area of Chronic Economic Distress, or a Department Designated Area of Special Need. Applicants purchasing in Targeted Areas may have higher income limits as set forth in the "Combined Income and Purchase Price Limits Table" found on the Department's website.

(16) United States Department of Veterans Affairs--Also known as VA.

§28.3. Restrictions on Residences Financed and Applicant.

(a) Type of Residence and Number of Units. To be eligible for assistance under the Program an Applicant must apply with respect to a Residence that is either a new or existing single family residence, new or existing condominium or townhome, or manufactured housing that has been converted to real property in accordance with the Texas Occupations Code, Chapter 1201 or FHA guidelines, as required by the Department. A duplex may be financed under the Program as long as one unit of the duplex is occupied by the Applicant as his or her Residence, and the duplex was first occupied for residential purposes at least five years prior to the closing of the Mortgage Loan.

(b) Homebuyer Education. Each Applicant must complete a Department approved pre-purchase homebuyer education course.

(c) Income Limits. An Applicant applying for a Mortgage Loan must meet Applicable Median Family Income requirements.

(d) Down Payment Assistance. An Applicant meeting the Applicable Median Family Income requirements in subsection (c) of this section may qualify for down payment and closing cost assistance in connection with the Mortgage Loan on a first come, first served basis, subject to availability of funds.

(e) Residential Property Standards. The Residence must meet all standards required by the State of Texas, local jurisdiction, and as required by the Mortgage Lender.

(f) Lien Position Requirements.

(1) A Mortgage Loan made by the Department shall be secured by a first lien on the real property if the Department's Mortgage Loan is the largest Mortgage Loan secured by the real property; or

(2) The Department may accept a subordinate lien position if the original principal amount of the leveraged Mortgage Loan is at least 55% of the combined repayable or amortized loans; however, liens related to other subsidized funds provided in the form of grants and non-amortizing Mortgage Loans, such as deferred payment or Forgivable Loans, must be subordinate to the Department's payable Mortgage Loan; and

(3) For real property encumbered by deed restrictions governed by a property owners' association or homeowners' association, the association shall subordinate its assessment liens in the deed restrictions to the Department's Mortgage Loan.

§28.4. Occupancy and Use Requirements.

(a) Occupancy requirement. The Homebuyer must occupy the property within a reasonable time (not to exceed 60 days) after the date of closing as his or her Residence.

(b) Use for a business. Homebuyer may not use more than 15% of the Residence in a trade or business (including childcare services) on a regular basis for compensation. If the Residence is to be used, in part, for a trade or business, a schematic drawing from an appraiser must be provided.

(c) Homebuyer may not use the Residence, or any part thereof, as an investment property, rental property, vacation or second home, or recreational home, and shall continue to occupy the Residence as Homebuyer's principal living space, unless waived by the Executive Director or their designee, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Homebuyer's control.

§28.5. Application Procedure and Requirements for Commitments by Mortgage Lenders.

(a) An Applicant seeking assistance under the Program must first contact a participating Mortgage Lender. A list of participating Mortgage Lenders may be obtained on the Department's website or by contacting the Department.

(b) Applicant shall complete an application with a participating Mortgage Lender.

(c) Application Fees. Fees that may be collected by the Mortgage Lender from the Applicant relating to a Mortgage Loan include:

(1) an appropriate, as determined by the Department, origination fee and/or buyer/seller points; and

(2) all usual and reasonable settlement or financing costs that are permitted to be so collected by FHA, RHS, VA, Freddie Mac or Fannie Mae, as applicable, and other applicable laws, but only to the extent such charges do not exceed the usual and reasonable amounts charged in the area in which the Residence is located. Such usual and reasonable settlement or financing costs shall include an application fee as determined by the Department, the total estimated costs of a credit report on the Applicants and an appraisal of the property to be financed with the Mortgage Loan, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and expenses, credit report fees, FHA insurance premiums, private Mortgage guaranty insurance premiums, VA guaranty fees, VA funding fees, RHS guaranty fees, hazard or flood insurance premiums, abstract fees, tax service fees, recording or registration fees, escrow fees, and file preparation fees.

(d) The Department will determine from time to time a schedule of fees and charges necessary for expenses and reserves of the housing finance division as set forth in a Board resolution.

(e) The Mortgage Lender must register the Mortgage Loan in accordance with the Department's published procedures.

§28.6. Criteria for Approving Participating Mortgage Lenders.

(a) To be approved by the Department for participation in the program, a Mortgage Lender must meet the requirements in the Participation Packet to be a qualified Mortgage Lender as specified by:

(1) FHA;

(2) RHS;

(3) VA; or

(4) be a lender currently participating in the conventional home lending market for loans originated in accordance with Fannie Mae's and/or Freddie Mac's requirements.

(b) As a condition for participation in the Program, a qualified Mortgage Lender must:

(1) agree to originate Mortgage Loans and assign those loans and related Mortgages and servicing to the Department's master servicer;

(2) originate, process, underwrite, close and fund originated loans; and

(3) be an approved Mortgage Lender with the Program's master servicer.

§28.7. Resale of the Residence.

Mortgage Loans that are financed with the proceeds of tax-exempt bonds, or for which a Mortgage Credit Certificate has been or will be issued, will be subject to federal income tax recapture provisions. Assumption of a Mortgage Loan is allowed under the Program if the new owner meets the Program requirements at the time of the sale of the Residence.

§28.8. Conflicts with Bond Indentures and Applicable Law.

All assistance provided under the Program is funded through or facilitated by the Department's mortgage revenue bond indentures and is subject to changes in the mortgage revenue bond indentures and applicable law. If there is a conflict between this chapter and any bond indenture or applicable law regarding the use of the funds from mortgage revenue bonds, the mortgage revenue bond indenture or applicable law shall control.

§28.9. Waiver.

The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the rules governing this Program, except 10 TAC §28.8 (relating to Conflicts with Bond Indentures and Applicable Law), if the Board finds that waiver is appropriate to fulfill the purposes or polices of Texas Government Code, Chapter 2306, or for good cause, as determined by the Board.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600225
Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
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For further information, please call: (512) 475-3959

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TITLE 22. EXAMINING BOARDS

PART 22. TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

CHAPTER 501. RULES OF PROFESSIONAL CONDUCT

SUBCHAPTER A. GENERAL PROVISIONS

22 TAC §501.51

The Texas State Board of Public Accountancy (Board) proposes an amendment to §501.51 concerning Preamble and General Principle.

Background, Justification and Summary

The AICPA establishes best practices standards for attest services. The proposed rule revision makes it clear that a licensee is required to follow the AICPA's published standards.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify that when a national standard is referenced by the Board the licensee will recognize that following the standard is a requirement.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§501.51. Preamble and General Principals.

(a) These rules of professional conduct were promulgated under the Public Accountancy Act, which directs the Texas State Board of Public Accountancy to promulgate rules of professional conduct "in order to establish and maintain high standards of competence and integrity in the practice of public accountancy and to ensure that the conduct and competitive practices of licensees serve the purposes of the Act and the best interest of the public." The provisions of Chapter 501 of this title (relating to Rules of Professional Conduct) will control over any interpretation used by a national accounting organization.

(b) The services usually and customarily performed by those in the public, industry, or government practice of accountancy involve a high degree of skill, education, trust, and experience which are professional in scope and nature. The use of professional designations carries an implication of possession of the competence associated with a profession. The public, in general, and the business community, in particular, rely on this professional competence by placing confidence in reports and other services of accountants. The public's reliance, in turn, imposes obligations on persons utilizing professional designations to their clients, employers and to the public in general. These obligations include maintaining independence in fact and in appearance, while in the client practice of public accountancy, continuously improving professional skills, observing GAAP and GAAS, when required, promoting sound and informative financial reporting, holding the affairs of clients and employers in confidence, upholding the standards of the public accountancy profession, and maintaining high standards of personal and professional conduct in all matters.

(c) The board has an underlying duty to the public to ensure that these obligations are met in order to achieve and maintain a vigorous profession capable of attracting the bright minds essential to adequately serving the public interest.

(d) These rules recognize the First Amendment rights of the general public as well as licensees and do not restrict the availability of accounting services. However, public accountancy, like other professional services, cannot be commercially exploited without the public being harmed. While information as to the availability of accounting services and qualifications of licensees is desirable, such information should not be transmitted to the public in a misleading fashion.

(e) The rules are intended to have application to all kinds of professional services performed in the practice of public accountancy, including services found at §501.52(22) of this chapter (relating to Definitions).

(f) Finally, these rules also recognize the duty of certified public accountants to refrain from committing acts discreditable to the profession. These acts, whether or not related to the accountant's practice, impact negatively upon the public's trust in the profession.

(g) In the interpretation and enforcement of these rules, the board may consider relevant interpretations, rulings, and opinions issued by the boards of other jurisdictions and appropriate committees of professional organizations, but will not be bound thereby.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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SUBCHAPTER C. RESPONSIBILITIES TO CLIENTS

22 TAC §501.75

The Texas State Board of Public Accountancy (Board) proposes an amendment to §501.75 concerning Confidential Client Communications.

Background, Justification and Summary

The Public Accountancy Act requires licensees to maintain the confidentiality of client information without the client's permission. For clarity the Board is requiring the licensee to only share confidential information with a third party with the client's written permission and the proposed revision identifies examples of who the licensee's authorized representative may be.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in

effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will help to eliminate the question of when a client has authorized the release of confidential client information to a third party and who may act on behalf of the licensee.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§501.75. Confidential Client Communications.

(a) Except by written permission of the client or the authorized representatives of the client, a person or any partner, member, officer, shareholder, or employee of a person shall not voluntarily disclose to a third party, including contractors, subcontractors, subsidiaries, and/or affiliates, within or outside the United States of America engaged in connection with the provision of professional services and/or services for internal, administrative and/or regulatory compliance purposes, information communicated [~~to him~~] by the client relating to, and in connection with, professional accounting services or professional accounting work rendered to the client [~~by the person~~]. Such information shall be deemed confidential. The following includes, but is not limited to, examples of authorized representatives:

(1) the authorized representative of a successor entity becomes the authorized representative of the predecessor entity when the predecessor entity ceases to exist and no one exists to give permission on behalf of the predecessor entity; and

(2) an executor/administrator of the estate of a deceased client possessing an order signed by a judge is an authorized representative of the estate.

(b) The provisions contained in subsection (a) of this section do not prohibit the disclosure of information required to be disclosed:

(1) by the professional standards for reporting on the examination of a financial statement and identified in Chapter 501, Subchapter B of this title (relating to Professional Standards);

(2) by applicable federal laws, federal government regulations, including requirements of the PCAOB;

(3) under a summons or subpoena under the provisions of the Internal Revenue Code of 1986 and its subsequent amendments, a summons under the provisions of the Securities Act of 1933 (15 U.S.C. Section 77a et seq.) and its subsequent amendments, or a summons under the provisions of the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) and its subsequent amendments, the Securities Act (Article 581-1 et seq., Vernon's Texas Civil Statutes), Texas Revised Civil Statutes Annotated;

(4) under a court order signed by a judge if the court order:

(A) is addressed to the license holder;

(B) mentions the client by name; and

(C) requests specific information concerning the client.

(5) by the public accounting profession in reporting on the examination of financial statements;

(6) by a congressional or grand jury subpoena;

(7) in investigations or proceedings conducted by the board;

(8) in ethical investigations conducted by a private professional organization of certified public accountants;

(9) in a peer review; or

(10) in the course of a practice review by another CPA or CPA firm for a potential acquisition in conjunction with a prospective purchase, sale, or merger of all or part of a member's practice if both firms enter into a written nondisclosure agreement with regard to all client information shared between the firms.

(c) The provisions contained in subsection (a) of this section do not prohibit the disclosure of information already made public, including information disclosed to others not having a confidential communications relationship with the client or authorized representative of the client.

(d) A person in the client practice of public accountancy shall take all reasonable measures to maintain the confidentiality of the client records and shall immediately upon becoming aware of the loss of, or loss of control over, the confidentiality of those records notify the client affected in writing of the date and time of the loss if known. Loss includes a cybersecurity breach or other incident exposing the records to a third party or parties, without the client's consent or the loss of the client records or the loss of control over the client records. Persons have a responsibility to maintain a back-up system in order to be able to immediately identify and notify clients of a loss.

(e) Interpretive comment. The definition of a successor entity as referenced in subsection (a)(1) of this section does not include the purchaser of all assets of an entity.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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CHAPTER 505. THE BOARD

22 TAC §505.10

The Texas State Board of Public Accountancy (Board) proposes an amendment to §505.10 concerning Board Committees.

Background, Justification and Summary

Continuing Professional Education (CPE) is a prerequisite to licensing. Therefore, the issues addressed by the CPE committee are a part of the licensing process and can be easily addressed through one committee. The staff is therefore recommending the combining of the two committee responsibilities into Licensing Committee and eliminating the CPE Committee as a stand-alone committee. The staff is also proposing the requirement for a semi-annual meeting of the Peer Assistance Committee. The staff has found that a semi-annual meeting is not needed to receive a report on the issues and activities of the committee. This committee will meet on an as-needed basis if this rule is adopted and eliminate the cost of resources and expenses in an unnecessary meeting.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, or to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will eliminate the CPE Committee and the costs and resources needed to maintain that committee. It will also eliminate the requirement for a semi-annual meeting of the Peer Assistance Committee.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§505.10. Board Committees.

(a) Committee appointments. Appointments to standing committees and ad hoc committees shall be considered annually by the board's presiding officer to assist in carrying out the functions of the board under the provisions of the Act. Committee appointments shall be made by the presiding officer for a term of two years but may be terminated at any point by the presiding officer. Committee members may be re-appointed at the discretion of the presiding officer. The board's presiding officer shall be an ex officio member of each standing committee and ad hoc committee and chair of the executive committee.

(b) Committee actions. The actions of the committees are recommendations only and are not binding until ratification by the board at a regularly scheduled meeting.

(c) Committee meetings. Committee meetings shall be held at the call of the committee chair, and a report to the board at its next regularly scheduled meeting shall be made by such chair or, in the absence of the chair, by another board member serving on the committee.

(d) Vacancies. If for any reason a vacancy occurs on a committee, the board's presiding officer may appoint a replacement in accordance with subsection (a) of this section.

(e) Standing committee structure and charge to committees. The standing committees shall consist of policy-making committees and working committees comprised of the following individuals and shall be charged with the following responsibilities.

(1) The executive committee shall be a policy-making committee comprised of the board's presiding officer, assistant presiding officer, secretary, treasurer, immediate past presiding officer of the board if still serving on the board, and at least one other officer elected by the board. The executive committee shall also be the board's audit committee. The executive committee may act on behalf of the full board in matters of urgency, or when a meeting of the full board is not feasible; the executive committee's actions are subject to full board ratification at its next regularly scheduled meeting. The functions of the executive committee shall be to advise, consult with, and make recommendations to the board concerning matters requested by the board's presiding officer, including:

(A) the board's budget and finances;

(B) litigation;

(C) emergency suspensions pursuant to §519.12 of this title (relating to Emergency Suspension);

(D) emergency rulemaking pursuant to §2001.034 of the Administrative Procedure Act;

(E) amendments to the Act;

(F) responses/positions relating to papers, reports, and other submissions from national or international associations or boards;

(G) legislative oversight, including, but not limited to, budget, performance measures, proposed changes in legislation affecting the board, and computer utilization; and

(H) special issues.

~~[(2) The CPE committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall make recommendations to the board regarding:]~~

~~[(A) the mandatory CPE program in accordance with Chapter 523 of this title (relating to Continuing Professional Education);]~~

~~[(B) investigations of sponsor compliance with the terms of the sponsor agreements, including the related recordkeeping requirements;]~~

~~[(C) the results of monitoring CPE courses for the purpose of evaluating the facilities, course content as presented, and the adequacy of the course presenter(s);~~

~~[(D) any significant deficiencies observed in carrying out subparagraphs (B) and (C) of this paragraph; and]~~

~~[(E) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies related to the mandatory CPE program as it relates to licensees and to relations with sponsors of CPE.]~~

(2) [~~(3)~~] The qualifications committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall make recommendations to the board regarding:

(A) the educational qualifications of an applicant for the UCPAE in accordance with Chapter 511, Subchapter C of this title (relating to Educational Requirements) and courses that may be used to meet the education requirements to take the examination;

(B) the administration, security, discipline, and other aspects of the conduct of the UCPAE in Texas;

(C) the work experience qualifications of an applicant for the CPA certificate in accordance with §§511.121 - 511.124 of this title (relating to Experience Requirements); and

(D) recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies relating to the qualifications process.

(3) [~~(4)~~] The licensing committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall make recommendations to the board regarding:

(A) applications for certification, registration, and licensure;

(B) where applicable, the equivalency examination measuring the professional competency of an applicant for a CPA certificate by reciprocity; [~~and~~]

(C) the mandatory CPE program in accordance with Chapter 523 of this title (relating to Continuing Professional Education); [~~recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies as they relate to the licensing process.~~]

(D) investigations of sponsor compliance with the terms of the sponsor agreements, including the related recordkeeping requirements;

(E) the results of monitoring CPE courses for the purpose of evaluating the facilities, course content as presented, and the adequacy of the course presenter(s);

(F) any significant deficiencies observed in carrying out subparagraphs (D) and (E) of this paragraph; and

(G) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies as it relates to the licensing program and as it relates to the mandatory CPE program and relations with sponsors of CPE.

(4) [~~(5)~~] The behavioral enforcement committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall:

(A) review requests or applications for reinstatement of any certificate, registration, or license which the committee recommended and the board revoked, suspended, or refused to renew;

(B) investigate complaints involving alleged violations of the Act and the board's rules, primarily concerning behavioral issues, and based upon its findings, make recommendations to the board or authorize the staff to offer an agreed consent order, or in the alternative, to litigate the findings of Act or rule violations;

(C) follow up on board orders to ensure [~~insure~~] that licensees and certificate holders and others adhere to sanctions prescribed by or agreements with the board; and

(D) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies related to the behavioral restraints of the rules and the Act.

(5) [~~(6)~~] The technical standards review committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least three non-board members who shall serve in an advisory capacity. The committee shall:

(A) review requests or applications for reinstatement of any certificate, registration, or license which the committee recommended and the board revoked, suspended, or refused to renew;

(B) investigate complaints from any source involving alleged violations of the Act and the board's rules, primarily concerning technical issues and based upon its findings, make recommendations to the board or authorize the staff to offer an agreed consent order, or in the alternative, to litigate the findings of Act or rule violations;

(C) follow up on board orders to ensure [~~insure~~] that licensees or certificate holders and others adhere to sanctions prescribed by or agreements with the board; and

(D) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies related to enforcement of technical standards.

(6) [~~(7)~~] The peer review committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall:

(A) conduct a periodic review of firms in accordance with Chapter 527 of this title (relating to Peer Review);

(B) refer to the technical standards review committee firms with deficient reviews for which educational rehabilitation has not been effective; and

(C) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies relating to the peer review program.

(7) [~~(8)~~] The board rules committee shall be a policy-making committee comprised of at least three board members, one of whom shall serve as chair. The committee shall make recommendations to the board concerning the board's rules, opinions, and policies. All working committees shall refer proposed changes to the board's rules, opinions, and policies to the rules committee for consideration for recommendation to the board.

(8) [~~(9)~~] The peer assistance oversight committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall oversee the peer assistance program administered by the TXCPA as required under the Texas Health and Safety Code, §467.001(1)(B), and ensure [~~insure~~] that the minimum criteria as set out by the Department of State Health Services are met. It shall make recommendations to the board and the TXCPA regarding modifications to the program and, if warranted, refer cases to other board committees for consideration of disciplinary or remedial action by the board. The committee shall report to the board as needed, [~~on a semi-annual basis,~~] by case number, on the status of the program.

(9) [~~(10)~~] The constructive enforcement committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by non-board CPA members. At least one Committee member shall be a public member of the board. The committee shall approve the constructive enforcement program, coordinate its activities with board committees and staff, and supervise the training of constructive enforcement advisory committee members. A staff attorney of the board shall supervise the day to day administration of the constructive enforcement program and activities of the committee's non-board members on behalf of the committee chairman. The committee shall:

(A) investigate matters forwarded to the committee from any other board committee or board staff in accordance with board instruction and policy;

(B) prepare, as appropriate, investigative reports regarding each referred matter;

(C) inform referring board committees or board staff of the results of its investigations;

(D) inform the appropriate committee when possible violations of board rules and the Act are observed; and

(E) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies relating to the constructive enforcement program.

(f) Ad hoc advisory committees. Ad hoc advisory committees may be established by the board's presiding officer and members and advisory members appointed as appropriate.

(g) Policy guidelines. All advisory committee members performing any duties utilizing board facilities and/or who have access to board records, shall conform and adhere to the standards, board rules, and personnel policies of the board as described in its personnel manual and to the laws of the State of Texas governing state employees.

(h) Conflicts of interest. To avoid a conflict of interest or the appearance of a conflict of interest, no committee member may provide a report or expert testimony for or otherwise advocate on behalf of a complainant or a respondent in a disciplinary matter pending before the board while serving on a standing committee of the board.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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J. Randel (Jerry) Hill
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CHAPTER 518. UNAUTHORIZED PRACTICE OF PUBLIC ACCOUNTANCY

22 TAC §518.2

The Texas State Board of Public Accountancy (Board) proposes an amendment to §518.2 concerning Cease and Desist Orders.

Background, Justification and Summary

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify the Board's process.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§518.2. Agreed Consent Orders [~~Cease and Desist Orders~~].

[~~(a)~~] Whenever the board, through its executive director, determines that a person is engaging in an act or practice that constitutes the practice of public accountancy without a license issued under the Act, the board, through its executive director, [~~after notice and an opportunity for a hearing, may issue a cease and desist order prohibiting the person from engaging in that activity. The executive director~~] and the person under investigation may agree to an Agreed Consent Order [~~a cease and desist order at any time; however, such an agreed cease and desist order must be ratified by the board~~].

(1) The executive director may refer an investigation to the Constructive Enforcement Committee for its consideration before taking any action. In such cases, the Constructive Enforcement Committee may recommend that staff dismiss the matter without further action, instruct staff to investigate the matter further or recommend that staff offer the person under investigation an Agreed Consent Order [~~a cease and desist order~~].

(2) The executive director may enlist the aid of the members of the Constructive Enforcement Advisory Committee in gathering evidence during investigations of the unauthorized practice of public accountancy.

[~~(b) A hearing under this rule shall be conducted in the manner of a contested case pursuant to the Act, the Administrative Procedure Act, the board's rules and SOAH's rules.~~]

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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General Counsel
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22 TAC §518.3

The Texas State Board of Public Accountancy (Board) proposes an amendment to §518.3 concerning Cease and Desist Orders.

Background, Justification and Summary

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify the Board's authority.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small busi-

nesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§518.3. Agreed Consent Order Violations [~~Cease and Desist Orders~~].

(a) Whenever the board, through its executive director, determines that a person subject to an Agreed Consent Order [~~a cease and desist order~~] issued by the board has violated that order, the board, through its executive director, after notice and an opportunity for a hearing, may assess an administrative penalty, [~~after consulting with the board's presiding officer,~~] against the person in violation in accordance with the guidelines contained in §518.6 of this chapter (relating to Administrative Penalty Guidelines for the Unauthorized Practice of Public Accountancy) and Subchapter L of the Act, as amended.

(b) The board staff acting through the executive director will advise [~~offer~~] the person found in violation of an Agreed Consent Order that he has 20 days to request a hearing in writing, as required by §901.554 of the Act (relating to Penalty to be Paid or Hearing Requested) [~~a cease and desist order~~].

[~~(1) The agreed consent order will act as the preliminary report as required by §901.553 of the Act (relating to Report and Notice of Violation and Penalty), including findings of fact to support the administrative penalty as well as the amount of the penalty to be imposed.~~]

[~~(2) Board staff will advise the person found in violation of a cease and desist order that he has 20 days to either sign the agreed consent order or to request a hearing in writing, as required by §901.554 of the Act (relating to Penalty to be Paid or Hearing Requested).~~]

[~~(3) If the person found to be in violation of a cease and desist order signs the agreed consent order, then the agreed consent order will be presented to the board for its consideration. If the board ratifies the agreed consent order, then it will issue a board order.~~]

(c) If the board, through its executive director, determines that a person subject to an Agreed Consent Order [~~a cease and desist order issued by the board~~] has violated that order, the [~~board, through its~~] executive director [~~and after consulting with the board's presiding officer,~~] may seek to enjoin the person in violation in state district court.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600236

J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 305-7842

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22 TAC §518.4

The Texas State Board of Public Accountancy (Board) proposes an amendment to §518.4 concerning Injunctive Relief and Penalties.

Background, Justification and Summary

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify the Board's authority.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed

rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 8, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§518.4. Injunctive Relief and Penalties.

(a) Whenever the executive director has determined that evidence supports a person(s) has or is engaging in an act(s) that violates §§901.451, 901.452, 901.453, 901.454 or 901.456 of the Act (relating to Use of Title or Abbreviation for "Certified Public Accountant"; Use of Title or Abbreviation for "Public Accountant"; Use of Other Titles or Abbreviations; Title Used by Certain Out-of-State or Foreign Accountants; and Reports on Financial Statements; Use of Name or Signature on Certain Documents) or any combination of these sections of the Act, the executive director may, pursuant to §901.604 of the Act (relating to Single Act as Evidence of Practice), seek the issuance of an injunction and the assessment of penalties against that person(s) in state district court on behalf of the board.

(b) Penalties will be determined in accordance with the guidelines in §518.6 of this chapter (relating to Administrative Penalty Guidelines for the Unauthorized Practice of Public Accountancy).

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §518.5

The Texas State Board of Public Accountancy (Board) proposes an amendment to §518.5 concerning Unlicensed Entities.

Background, Justification and Summary

The unlicensed practice of public accountancy includes the use of restricted terms such as accountant or accountancy and is not permitted.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will make it clear that the unauthorized practice of public accountancy includes the offer to provide accounting services.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§518.5. Unlicensed Entities

(a) An unlicensed entity is permitted to state that it has an ownership interest and a business affiliation with a registered CPA firm provided each such statement complies with subsection (b) of this section.

(b) In any letterhead, or in any advertising or promotional statements by an unlicensed entity that refers to accounting, auditing or attest services or any derivative terms associated with those services, there must be a statement that such services are only performed by the affiliated registered CPA firm. This statement must be included in conspicuous proximity to the name of the unlicensed entity and be printed in type not less bold than that contained in the body of the letterhead, advertisement or promotional statement. If the advertisement is in audio format, the statement must be clearly declared in each such presentation.

(c) An unlicensed entity using restricted terms and/or performing attest services is in the unauthorized practice of public accountancy and in violation of the Act and the board's rules except a firm authorized to practice in this state pursuant to §901.461 of the Act (relating to Practice by Certain Out-of-State Firms).

(d) Interpretative Comment: This section clarifies that the mere mention of a business and ownership affiliation with a registered CPA firm on the letterhead, or in advertising or promotional statements, of an unlicensed entity does not violate the Act when done in compliance with the provisions of this section. This section also clarifies that the letterhead, advertising or promotional statements of the unlicensed entity may refer to accounting, auditing or attest services, or any derivative terms associated with those services, without violating §901.453 of the Act (relating to Use of Other Titles or Abbreviations). It also clarifies that all attest services must still be performed exclusively by registered CPA firms in accordance with the Act and all board rules. The definition of "attest services" is set forth in §501.52 of this title (relating to Definitions).

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

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J. Randel (Jerry) Hill
General Counsel
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22 TAC §518.6

The Texas State Board of Public Accountancy (Board) proposes an amendment to §518.6 concerning Administrative Penalty Guidelines for the Unauthorized Practice of Public Accountancy.

Background, Justification and Summary

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will make it clear that the board does not assess administrative penalties for the unauthorized practice of public accountancy.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on

small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§518.6. Administrative Penalty Guidelines for the Unauthorized Practice of Public Accountancy.

(a) [~~The board has the sole discretion in determining if a penalty will be assessed as well as the amount of the penalty.~~] If a penalty is assessed, the penalty will be in accordance with the following guidelines:

(1) an unlicensed individual who uses terms restricted for use by CPAs in violation of §§901.451, 901.452, 901.453 or 901.454 of the Act (relating to Use of Title or Abbreviation for "Certified Public Accountant"; Use of Title or Abbreviation for "Public Accountant"; Use of Other Titles or Abbreviations; and Title Used by Certain Out-of-State or Foreign Accountants) shall pay a penalty of no less than $1,000.00 and no more than $5,000.00 for a first offense; and no less than $5,000.00 and no more than $25,000.00 for two or more offenses;

(2) an unlicensed entity that uses terms restricted for use by licensed firms in violation of §901.351(a) of the Act (relating to Firm License Required) shall pay a penalty of no less than $5,000.00 and no more than $10,000.00 for a first offense; and no more than $25,000.00 for two or more offenses;

(3) an unlicensed individual who asserts an expertise in accounting through use of the term "accounting service" or any variation of that term shall pay a penalty of no less than $1,000.00 and no more than $5,000.00 for a first offense; and no more than $25,000.00 for two or more offenses;

(4) an unlicensed entity that asserts an expertise in accounting through use of the term "accounting service" or any variation of that term shall pay a penalty of no less than $5,000.00 and no more than $10,000.00 for a first offense; and no more than $25,000.00 for two or more offenses;

(5) an unlicensed individual who claims to provide attest services shall pay a penalty of no less than $5,000.00 and no more than $25,000.00;

(6) an unlicensed entity that claims to provide attest services shall pay a penalty of no less than $5,000.00 and no more than $25,000.00;

(7) an unlicensed individual who claims to be a CPA shall pay a penalty of no less than $5,000.00 and no more than $25,000.00; and

(8) an unlicensed entity that claims to be a CPA firm shall pay a penalty of no less than $5,000.00 and no more than $25,000.00.

(b) An offense is counted as a second or more offense when the person has been notified in writing by the board that the person's actions violate the Public Accountancy Act and the person fails to correct the violation(s) within the time required in the written notification.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

CHAPTER 520. PROVISIONS FOR THE ACCOUNTING STUDENTS SCHOLARSHIP PROGRAM

22 TAC §520.2

The Texas State Board of Public Accountancy (Board) proposes an amendment to §520.2 concerning Definitions.

Background, Justification and Summary

Student Aid Index is a Department of Education term used in student aid for funding education and is more comprehensive in determining the amount of financial aid a student may be eligible for than simply family's contribution to a student.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will be consistent with student aid guidelines.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§520.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Cost of attendance--An estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses - to include the UCPAE fee paid to NASBA).

(2) Student Aid Index [~~Expected family contribution~~]--The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined by the US Department of Education [~~Definition of Expected Family Contribution~~].

(3) Financial need--The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with board guidelines.

(4) Gift Aid--Educational funds from state, federal, and other sources, such as grants, that do not require repayment from present or future earnings. Assistantships and work-study programs are not considered to be gift aid.

(5) Half-time student--For undergraduates, not in their final semester, who are enrolled or are expected to be enrolled for the equivalent of at least six but not more than nine semester credit hours. For graduate students, not in their final semester, who are enrolled or are expected to be enrolled for the equivalent of 4.5 but not more than six semester credit hours.

(6) Institution--Public and private or independent institutions of higher education as defined in Texas Education Code, §61.003.

(7) NASBA--The National Association of State Boards of Accountancy.

(8) Period of enrollment--The term or terms within the current state fiscal year (September 1 - August 31) for which the student

was enrolled in an approved institution and met all the eligibility requirements for an award through the program described in this chapter.

(9) Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the board. The program officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as program officer.

(10) Resident of Texas--A resident of the State of Texas as determined in accordance with 19 TAC Part 1, Chapter 21, Subchapter B (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(11) UCPAE fee--The exam cost paid by the applicant to NASBA to take a section of the UCPAE.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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J. Randel (Jerry) Hill
General Counsel
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For further information, please call: (512) 305-7842

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22 TAC §520.3

The Texas State Board of Public Accountancy (Board) proposes an amendment to §520.3 concerning Institutions for the Accounting Students Scholarship Program.

Background, Justification and Summary

Eliminates the reference to board rule 511.60 which is no longer applicable and references course concentration as described in the recent revisions to the Public Accountancy Act.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will be consistent with U.S. Department of Education student assistance terms.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§520.3. Institutions for the Accounting Students Scholarship Program.

(a) Eligibility.

(1) Any college or university defined as a public, private or independent institution of higher education by Texas Education Code,

§61.003 that offers the courses required by §511.57 and §511.58 of this title (relating to Courses in an Accounting Concentration to Take the UCPAE and Related Business Subjects) [§§~~511.57, 511.58 and 511.60 of this title (relating to Qualified Accounting Courses to take the UCPAE, Definitions of Related Business Subjects to take the UCPAE and Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE)~~], is eligible to participate in the accounting students scholarship program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age or disability exclude a student from participation in or deny the benefits of the program described in this chapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Each approved institution must enter into an agreement with the board, the terms of which shall be prescribed by the executive director.

(2) An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive scholarships in the following fiscal year beginning September 1st.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise scholarship recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) The institution must maintain records to prove the disbursement of program funds to the student or the crediting of such funds to the student's school account.

(B) If the executive director has reason to believe that an institution has disbursed funds for unauthorized purposes, the institution will be notified and offered an opportunity for a hearing pursuant to the applicable procedures outlined in Chapter 519 of this title (relating to Practice and Procedure) and the rules of procedure of SOAH. Thereafter, if the board determines that funds have been improperly disbursed, the institution shall become responsible for restoring the funds to the board. No further disbursements of scholarship funds shall be permitted to students at that institution until the funds have been repaid.

(d) Reporting.

(1) All institutions must meet board reporting requirements. Such reporting requirements shall include reports specific to allocation of scholarship funds as well as progress and year-end reports.

(2) Penalties for Late Reports.

(A) The executive director may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each progress report that is postmarked or submitted electronically more than a week (seven (7) calendar days) late.

(B) The executive director may assess more severe penalties against an institution if any report is received by the board more than one-month (thirty (30) calendar days) after its due date. The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked two consecutive years, the institution may be penalized an additional 20 percent.

(3) If the executive director determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the program officer. Within 21 days from the date that the program officer receives the written notice, the institution must submit a written response appealing the board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in the applicable sections of Chapter 519 of this title and the procedural rules of SOAH.

(e) Program Reviews. If selected for such by the board, participating institutions must submit to program reviews of activities related to the accounting students scholarship program.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600241
J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 305-7842

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22 TAC §520.4

The Texas State Board of Public Accountancy (Board) proposes an amendment to §520.4 concerning Eligible Students for the Accounting Students Scholarship Program.

Background, Justification and Summary

Replaces family contribution with the student aid index which is a conventional student aid term and clarifies that the cumulative grade point average is tied to student aid.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment provides clarifying language consistent with Department of Education student loan assistance.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses be-

cause the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on March 9, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c).

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed amendment.

§520.4. Eligible Students for the Accounting Students Scholarship Program.

(a) To receive funds:

(1) an undergraduate student majoring in accounting must be enrolled at least half-time at an approved institution in Texas that is participating in the scholarship program, and attending consecutive semesters or in the final semester of the degree; or

(2) a graduate student majoring in accounting must be enrolled at least half-time or in the final semester of the degree at an approved institution in Texas that is participating in the scholarship program.

(b) To receive funds, a student must:

(1) maintain satisfactory academic progress in the program of study as defined by the institution;

(2) have completed at least 15 semester hours of upper-level accounting coursework;

(3) sign a written statement confirming the intent to take the examination conducted by or pursuant to the authority of the board for the purpose of obtaining a certificate of certified public accountant in Texas;

(4) agree to pay on demand all scholarship funds received if the student does not take at least one part of the exam within three years of submitting the application of intent, unless the executive director grants an extension of the three-year requirement upon a showing of good cause;

(5) agree that failure to comply with paragraph (4) of this subsection may cause the board to take measures necessary to enforce the repayment of the scholarship including bringing a civil suit in state district court;

(6) confirm that the applicant submitted an Application of Intent and has not met the educational requirements for certification in Texas;

(7) maintain a cumulative grade point average to receive student aid, as determined by the institution, that is equal to or greater than the grade point average required by the institution for graduation;

(8) be a resident of Texas; and

(9) have a statement on file with the institution of higher education indicating the student is registered with the Selective Service System as required by federal law or is exempt from Selective Service registration under federal law.

(c) In selecting recipients, the Program Officer shall consider at a minimum the following factors relating to each applicant:

(1) the applicant's financial need, which may be based on but not limited to the cost of the applicant attending school less Student Aid Index [~~family contribution~~] and any gift aid (an award may not exceed the applicant's need nor be less than the amount calculated in accordance with the formula provided institutions in the application instructions);

(2) scholastic ability and performance as measured by the student's cumulative college grade point average as determined by the institution in which the student is enrolled; and

(3) ethnic or racial minority status.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600242

J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 305-7842

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TITLE 31. NATURAL RESOURCES AND CONSERVATION

PART 10. TEXAS WATER DEVELOPMENT BOARD

CHAPTER 378. OUTDOOR WARNING SIREN SYSTEMS

31 TAC §§378.1 - 378.3

The Texas Water Development Board (TWDB) proposes new 31 Texas Administrative Code (TAC) §§378.1 - 378.3 relating to outdoor warning siren systems.

BACKGROUND AND SUMMARY OF THE FACTUAL BASIS FOR THE PROPOSED AMENDMENT.

This rulemaking implements relevant provisions of Senate Bill 3, 89th Second Called Session (SB 3). SB 3 (codified as Texas Water Code, Chapter 16, Subchapter M) tasks the TWDB with two main responsibilities related to outdoor warning siren systems in flash flood-prone areas. The first task is to identify each area within the 30 counties included in the governor's July 2025 flood disaster declaration that has a history of consistent or severe flooding and warrants the installation, maintenance, and operation of one or more outdoor warning sirens. Second, the TWDB must facilitate development of best management practices and guidance for the operation of an outdoor warning siren in a flash flood-prone area of the state, including related to backup power sources.

SECTION BY SECTION DISCUSSION OF PROPOSED AMENDMENTS.

Section 378.1. Definitions.

This section provides for the definitions to be used in this Chapter. Both "Flash flood-prone area" and "outdoor warning siren" are proposed to be defined in the same manner as those terms are defined in Texas Water Code §16.501, as passed in SB 3. The TWDB also proposes to include definitions of "executive administrator" and "TWDB" for clarity.

Section 378.2. Identification of Flash Flood-Prone Areas.

This section describes the process by which the TWDB will identify flash flood-prone areas within the July 2025 flood disaster declaration. The TWDB proposes to include a process whereby the Executive Administrator will develop a recommendation and then propose the recommendation for the Board's consideration in an open meeting.

Section 378.3. Best Management Practices and Guidance.

This section provides that the TWDB will facilitate development of best management practices and guidance for outdoor warning sirens. Texas Water Code §16.502 requires certain governmental entities to install, maintain, and operate outdoor warning sirens in accordance with the guidance developed by the TWDB. The TWDB will develop the specific details of the best management practices and guidance in a separate guidance document. As provided in Texas Water Code §16.502, the TWDB may not approve financial assistance, other than financial assistance for an outdoor warning siren, for a county or municipality until the county or municipality certifies to the board that it is in compliance with Texas Water Code §16.502, related to the installation of outdoor warning sirens.

FISCAL NOTE: COSTS TO STATE AND LOCAL GOVERNMENTS (Texas Government Code §2001.024(a)(4))

Georgia Sanchez, Chief Financial Officer, has determined that there will be no fiscal implications for state or local governments as a result of the proposed rulemaking. For the first five years these rules are in effect, there is no expected additional cost to state or local governments resulting from their administration.

These rules are not expected to result in reductions in costs to either state or local governments. There is no change in costs for state or local governments imposed by this rule because the requirements included are imposed by statute, not this rule. These rules are not expected to have any impact on state or local revenues. The rules do not require any increase in expenditures for state or local governments as a result of administering these rules. Additionally, there are no foreseeable implications relating to state or local governments' costs or revenue resulting from these rules.

Because these rules will not impose a cost on regulated persons, the requirement included in Texas Government Code, §2001.0045 to repeal a rule does not apply. Furthermore, the requirement in §2001.0045 does not apply because these are necessary to implement legislation.

Any costs local governmental entities may incur to meet the requirements of installing, maintaining, or operating outdoor warning sirens are imposed by the requirements of the statute.

The TWDB invites public comment regarding this fiscal note. Written comments on the fiscal note may be submitted to the contact person at the address listed under the Submission of Comments section of this preamble.

PUBLIC BENEFITS AND COSTS (Texas Government Code §2001.024(a)(5))

Georgia Sanchez also has determined that for each year of the first five years the proposed rulemaking is in effect, the public will benefit from the rulemaking as it implements SB 3 and provides standards for certain local governments to follow when installing, maintaining and operating outdoor warning sirens in flash flood-prone areas. Georgia Sanchez also has determined that for each year of the first five years the proposed rulemaking is in effect, the rules will not impose an economic cost on persons required to comply with the rule as these requirements are imposed by statute.

ECONOMIC AND LOCAL EMPLOYMENT IMPACT STATEMENT (Texas Government Code §§2001.022, 2006.002); REGULATORY FLEXIBILITY ANALYSIS (Texas Government Code §2006.002)

The TWDB has determined that a local employment impact statement is not required because the proposed rule does not adversely affect a local economy in a material way for the first five years that the proposed rule is in effect because it will impose no new requirements on local economies. The TWDB also has determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities as

a result of enforcing this rulemaking. The TWDB also has determined that there is no anticipated economic cost to persons who are required to comply with the rulemaking as proposed. Therefore, no regulatory flexibility analysis is necessary.

DRAFT REGULATORY IMPACT ANALYSIS DETERMINATION (Texas Government Code §2001.0225)

The TWDB reviewed the proposed rulemaking in light of the regulatory analysis requirements of Texas Government Code §2001.0225 and determined that the rulemaking is not subject to Texas Government Code §2001.0225, because it does not meet the definition of a "major environmental rule" as defined in the Administrative Procedure Act. A "major environmental rule" is defined as a rule with the specific intent to protect the environment or reduce risks to human health from environmental exposure, a rule that may adversely affect in a material way the economy or a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. The intent of the rulemaking is to implement legislation.

Even if the proposed rule were a major environmental rule, Texas Government Code §2001.0225 still would not apply to this rulemaking because Texas Government Code §2001.0225 only applies to a major environmental rule, the result of which is to: (1) exceed a standard set by federal law, unless the rule is specifically required by state law; (2) exceed an express requirement of state law, unless the rule is specifically required by federal law; (3) exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; or (4) adopt a rule solely under the general powers of the agency instead of under a specific state law. This rulemaking does not meet any of these four applicability criteria because it: (1) does not exceed any federal law; (2) does not exceed an express requirement of state law; (3) does not exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; and (4) is not proposed solely under the general powers of the agency, but Texas Water Code §16.502. Therefore, this proposed rule does not fall under any of the applicability criteria in Texas Government Code §2001.0225.

The TWDB invites public comment regarding this draft regulatory impact analysis determination. Written comments on the draft regulatory impact analysis determination may be submitted to the contact person at the address listed under the Submission of Comments section of this preamble.

TAKINGS IMPACT ASSESSMENT (Texas Government Code §2007.043)

The TWDB evaluated this proposed rule and performed an analysis of whether it constitutes a taking under Texas Government Code, Chapter 2007. The specific purpose of this rule is to implement SB 3. The proposed rule would substantially advance this stated purpose by providing standards for certain local governments to follow when installing, maintaining, and operating outdoor warning sirens in flash flood-prone areas.

The TWDB's analysis indicates that Texas Government Code, Chapter 2007 does not apply to this proposed rule because this is an action that is reasonably taken to fulfill an obligation mandated by state law, which is exempt under Texas Government Code §2007.003(b)(4). The TWDB is the agency that is charged with implementing SB 3.

Nevertheless, the TWDB further evaluated this proposed rule and performed an assessment of whether it constitutes a taking under Texas Government Code Chapter 2007. Promulgation and enforcement of this proposed rule would be neither a statutory nor a constitutional taking of private real property. Specifically, the subject proposed regulation does not affect a landowner's rights in private real property because this rulemaking does not burden, restrict, or limit the owner's right to property and reduce its value by 25% or more beyond that which would otherwise exist in the absence of the regulation. In other words, this rule requires certain governmental entities to install outdoor warning sirens without burdening or restricting or limiting a landowner's right to property and reducing its value by 25% or more. Therefore, the proposed rule does not constitute a taking under Texas Government Code, Chapter 2007.

GOVERNMENT GROWTH IMPACT STATEMENT (Texas Government Code §2001.0221)

The TWDB reviewed the proposed rulemaking in light of the government growth impact statement requirements of Texas Government Code §2001.0221 and has determined, for the first five years the proposed rule would be in effect, the proposed rule will not: (1) create or eliminate a government program; (2) require the creation of new employee positions or the elimination of existing employee positions; (3) require an increase or decrease in future legislative appropriations to the agency; (4) require an increase or decrease in fees paid to the agency; (5) create a new regulation; (6) expand, limit, or repeal an existing regulation; (7) increase or decrease the number of individuals subject to the rule's applicability; or (8) positively or adversely affect this state's economy.

The requirements included in this rulemaking are imposed by state statute, not the rules themselves.

SUBMISSION OF COMMENTS (Texas Government Code §2001.024(a)(7))

Written comments on the proposed rulemaking may be submitted by mail to Office of General Counsel, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231, by email to rulescomments@twdb.texas.gov, or by fax to (512) 475-2053. If sent via email, all public comments should be sent directly to rulescomments@twdb.texas.gov. Please do not submit comments through any third-party forms or websites. Receipt of third-party submissions cannot be guaranteed. Comments will be accepted until 5:00 p.m. of the 31st day following publication in the *Texas Register*. Include "Chapter 378" in the subject line of any comments submitted.

The best management practices and guidance will be posted separately on the TWDB website for public comment at a later date.

STATUTORY AUTHORITY (Texas Government Code §2001.024(a)(3))

The new rules are proposed under the authority of Texas Water Code §6.101, which provides the TWDB with the authority to adopt rules necessary to carry out the powers and duties in the Water Code and other laws of the State, and also under the authority of Texas Water Code §16.502. This new rules are proposed under the authority of Senate Bill 3, passed during the 89th Second Called Texas Legislative Session.

This rulemaking affects Water Code, Chapter 16, Subchapter M.

§378.1. Definitions.

The following words and terms, when used in this chapter, will have the following meanings unless the context clearly indicates otherwise.

(1) Executive Administrator--The executive administrator of the TWDB or a designated representative.

(2) Flash flood-prone area--An area of this state included in the disaster declaration issued by the governor under Section 418.014, Government Code, in response to the July 2025 Hill Country floods.

(3) Outdoor warning siren--A system that produces a sound designed to alert a person who is outdoors of an imminent disaster and encourage that person to immediately seek shelter or move to higher ground and includes sensors, gages, and all other components essential to the function of the system.

(4) TWDB--Texas Water Development Board.

§378.2. Identification of Flash Flood-Prone Areas.

(a) The Executive Administrator will identify each area in a flash flood-prone area that:

(1) has a history of consistent or severe flooding; and

(2) based on the history under Subdivision (1) and any other factor the TWDB considers relevant, warrants the installation, maintenance, and operation of one or more outdoor warning sirens.

(b) The Executive Administrator will develop a recommended identification of the areas required in subsection (a) of this section and then present the recommendation to the governing body of the TWDB for consideration in an open meeting.

§378.3. Best Management Practices and Guidance.

(a) The TWDB will facilitate the development of best management practices and guidance:

(1) for the operation of an outdoor warning siren in a flash flood-prone area of this state; and

(2) for an outdoor warning siren installed, maintained, or operated in a flash flood-prone area, including guidance that an outdoor warning siren be equipped with a backup power source that is different from the siren's primary power source.

(b) Each municipality, county, or other governmental entity required to install, maintain, and operate one or more outdoor warning sirens in accordance with Texas Water Code §16.502(c) must do so in accordance with the TWDB guidance on outdoor warning siren systems.

(c) The TWDB may not approve financial assistance, other than financial assistance for an outdoor warning siren, for a county or municipality until the county or municipality certifies to the board that it is in compliance with Texas Water Code §16.502.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 22, 2026.

TRD-202600231
Georgia Sanchez
Chief Financial Officer
Texas Water Development Board
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-2053

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TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 1. CENTRAL ADMINISTRATION

SUBCHAPTER A. PRACTICE AND PROCEDURES

DIVISION 1. GENERAL PROCEDURAL PROVISIONS

34 TAC §1.12

The Comptroller of Public Accounts proposes amendments to §1.12, concerning position letter. The amendments implement Senate Bill 266, 89th Legislature, 2025 and House Bill 1937, 89th Legislature, 2025, effective May 24, 2025.

Senate Bill 226 repealed Tax Code, §111.105(e) (Tax Refund: Hearing), which authorized the comptroller to issue a "notice of demand" that all evidence to support a refund claim be produced by a specific date in the notice, and that any evidence produced after the specified date could not be considered in an administrative hearing. Section 1.12(c), which largely mirrors the statutory language in authorizing the notice of demand for documentation, is deleted to conform with the repeal of Tax Code, §111.105(e). The last sentence of §1.12(e), which refers to calculating the date to respond to the notice of demand in subsection (c), is also deleted to conform with the repeal of Tax Code, §111.105(e).

Subsequent subsections are renumbered accordingly.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendments are in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed amendments would benefit the public by conforming the rule to the current statute. This rule is proposed under Tax Code, Title 2, and does not require a statement of fiscal implications for small businesses or rural communities The proposed rule amendments would have no fiscal impact on the state government, units of local government, or individuals. There would be no anticipated economic cost to the public.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to James D. Arbogast, Chief Counsel for Hearings and Tax Litigation, P.O. Box 13528 Austin, Texas 78711, or to the email address: james.arbogast@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

The amendments are proposed under Tax Code, §111.002 (Comptroller's Rules, Compliance, Forfeiture), which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of Tax Code, Title 2 (State Taxation).

This section implements Tax Code, §111.105(e) (Tax Refund: Hearing).

§1.12. Position Letter.

(a) Contents of Position Letter. The Tax Hearings Attorney will review the Statement of Grounds, documentary evidence, and any additional evidence received from the taxpayer and issue a Position Letter to the taxpayer. The Position Letter will accept or reject, in whole or in part, each contention of the taxpayer, and state the AHS's position on all disputed issues raised by the taxpayer, such as taxability, penalty and interest waiver, and whether the taxpayer is an individual or entity liable for the assessment of tax at issue.

(b) Selection form. The Position Letter will include a selection form for the taxpayer to accept or reject the Position Letter. See §1.13 of this title (relating to Taxpayer's Acceptance or Rejection of Position Letter, and Reply to Position Letter).

~~[(c) Notice of demand. Pursuant to Tax Code, §111.105(e), the Tax Hearings Attorney may issue with the Position Letter a written notice of demand that all documentary evidence to support facts or contentions related to a taxpayer's claim for refund be produced before the expiration of a specified date in the notice. The specified date may not be less than 180 days from the date of the original refund claim, and not less than 60 days from the date of the notice. The deadline to respond to the notice of demand may be extended by the Tax Hearings Attorney. A taxpayer who fails to produce the requested documents by the specified date may not introduce in evidence any of the documents that were not timely produced. The assigned ALJ cannot consider in SOAH proceedings documents that were not timely produced. This section is only applicable to the administrative hearing and has no effect on a judicial proceeding pending under Tax Code, Chapter 112. See Tax Code, §111.105(e). The agency may also issue a notice of demand pursuant to Tax Code, §111.105(e) at other stages of the contested case process before or after the issuance of a Position Letter.]~~

(c) [~~(d)~~] Taxpayer's option to set a Position Letter deadline. After a contested case is assigned, the Tax Hearings Attorney will issue an introductory letter providing contact information and other information concerning the hearings process. If the Tax Hearings Attorney does not issue the Position Letter within 60 days after the date of the introductory letter, the taxpayer may submit a written request to the Tax Hearings Attorney to issue a Position Letter within 45 days of the receipt of the request. The Tax Hearings Attorney will issue a Position Letter within the 45-day deadline, obtain an agreed extension of the deadline to issue the Position Letter, or confer with the taxpayer concerning the docketing of the case at SOAH consistent with §1.20 of this title (relating to Docketing Oral and Written Submission Hearings).

(d) [~~(e)~~] Modification or amendment of the Position Letter. If the Position Letter is modified or amended, the taxpayer must accept or reject the modified or amended Position Letter, in whole or in part, within 45 days after the day the modified or amended Position Letter is dated, unless an extension is granted. [~~If the Position Letter includes a Notice of Demand consistent with subsection (c) of this section, the date to respond to the Notice of Demand will correspond to the date, including any extension thereof, by which the taxpayer must accept or reject the modified or amended Position Letter.~~]

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 23, 2026.

TRD-202600266

Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-2220

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34 TAC §1.22

The Comptroller of Public Accounts proposes amendment to §1.22, concerning discovery. The amendment implements Senate Bill 266, 89th Legislature, 2025 and House Bill 1937, 89th Legislature, 2025, effective May 24, 2025.

Prior to amendment by Senate Bill 266, Tax Code, §111.0041(c) (Records; Burden to Produce and Substantiate Claims), required taxpayers to produce "contemporaneous" records and supporting documentation to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded in an administrative or judicial proceeding. Senate Bill 266 substituted the word "sufficient" for "contemporaneous" in that section. The amendment to §1.22 likewise substitutes "sufficient" for "contemporaneous" in order to conform the rule to the statute.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendment is in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed amendment would benefit the public by conforming the rule to the current statute. This rule is proposed under Tax Code, Title 2, and does not require a statement of fiscal implications for small businesses or rural communities. The proposed rule amendment would have no fiscal impact on the state government, units of local government, or individuals. There would be no anticipated economic cost to the public.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to James D. Arbogast, Chief Counsel for Hearings and Tax Litigation, P.O. Box 13528, Austin, Texas 78711-3528, or james.arbogast@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

The amendments are proposed under Tax Code, §111.002 (Comptroller's Rules, Compliance, Forfeiture), which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of Tax Code, Title 2 (State Taxation).

The amendments implement Tax Code, 111.0041(c)(Records; Burden to Produce and Substantiate Claims).

§1.22. Discovery.

(a) Discovery conducted during a contested case does not modify Tax Code recordkeeping or disclosure requirements. The Tax Code requires a taxpayer to maintain and produce sufficient [~~contemporaneous~~] records and supporting documents appropriate

to the tax or fee for which the taxpayer is responsible. A taxpayer is required to produce documents and information concerning the transactions in question to substantiate and enable verification of the taxpayer's contentions concerning the amount of tax, penalty, or interest to be assessed, collected, or refunded in a contested case. Nothing in this section modifies any statute or any section of this title requiring a taxpayer to keep records and documentation, or to provide information to the comptroller. General Tax Code sections governing a taxpayer's obligations to maintain or produce records and documents include, but are not limited to, Tax Code, §111.0041 ("Records; Burden to Produce and Substantiate Claims") and Tax Code, §111.105 ("Tax Refund; Hearing"). The Tax Code may also impose a duty to keep records or provide information specific to a certain tax or fee; see, for example, Tax Code, §171.205 ("Additional Information Required by Comptroller," relating to franchise tax) and Tax Code, §151.025 ("Records Required to Be Kept," relating to sales tax).

(b) Informal exchange of information encouraged. Before SOAH acquires jurisdiction over a contested case (see 1 TAC §155.51), the parties are encouraged to informally request and exchange documents and other information to narrow and define the disputed issues and reach an agreed resolution of the contested case before the case is docketed at SOAH. See §1.31 of this title (relating to Resolution Agreements).

(c) Formal discovery. Discovery in a contested case may begin when SOAH acquires jurisdiction. See 1 TAC §155.251(a) and §1.20 of this title (relating to Docketing Oral and Written Submission Hearings). Discovery shall be conducted under the SOAH Rules of Procedure governing discovery. See 1 TAC §§155.251, 155.253, 155.255, 155.257, and 155.259.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 23, 2026.

TRD-202600267
Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-2220

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34 TAC §1.26

The Comptroller of Public Accounts proposes amendment to §1.26, concerning burden and standard of proof in contested cases. The amendment implements Senate Bill 266, 89th Legislature, 2025 and House Bill 1937, 89th Legislature, 2025, effective May 24, 2025.

Prior to amendment by Senate Bill 266, Tax Code, §111.0041(c) (Records; Burden to Produce and Substantiate Claims), required taxpayers to produce "contemporaneous" records and supporting documentation to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded in an administrative or judicial proceeding. Senate Bill 266 substituted the word "sufficient" for "contemporaneous" in that section. The amendment to §1.26 likewise substitutes "sufficient" for "contemporaneous" in order to conform the rule to the statute.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendment is in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed amendment would benefit the public by conforming the rule to the current statute. This rule is proposed under Tax Code, Title 2, and does not require a statement of fiscal implications for small businesses or rural communities. The proposed rule amendment would have no fiscal impact on the state government, units of local government, or individuals. There would be no anticipated economic cost to the public.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to James D. Arbogast, Chief Counsel for Hearings and Tax Litigation, P.O. Box 13528 Austin, Texas 78711, or to the email address: james.arbogast@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

The amendments are proposed under Tax Code, §111.002 (Comptroller's Rules, Compliance, Forfeiture), which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of Tax Code, Title 2 (State Taxation).

The amendments implement Tax Code, 111.0041(c)(Records; Burden to Produce and Substantiate Claims).

§1.26. Burden and Standard of Proof in Contested Cases.

(a) General rule. Pursuant to Tax Code, §111.0041, the taxpayer must produce sufficient [~~contemporaneous~~] records and supporting documentation appropriate to the tax or fee for the transactions in question to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded.

(b) The AHS has the burden to prove by clear and convincing evidence:

(1) liability for the additional penalty under Tax Code, §111.061(b); and

(2) personal liability for fraudulent tax evasion under Tax Code, §111.0611.

(c) The taxpayer has the burden to prove by clear and convincing evidence that the taxpayer or a transaction qualifies for an exemption or a deduction tantamount to an exemption.

(d) The AHS has the burden to prove by a preponderance of the evidence that an exclusion from an exemption applies.

(e) In all other cases, the taxpayer has the burden of proof by a preponderance of the evidence.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 23, 2026.

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Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-2220

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CHAPTER 20. STATEWIDE PROCUREMENT AND SUPPORT SERVICES
SUBCHAPTER C. PROCUREMENT METHODS AND CONTRACT FORMATION
DIVISION 3. SPECIAL CONTRACTING METHODS

34 TAC §20.231

The Comptroller of Public Accounts proposes amendments to §20.231, concerning multiple awards contracts procedure. The comptroller amends §20.231 to implement Government Code, Chapter 2156, Subchapter E, added by House Bill 4748, 89th Legislature, 2025, effective September 1, 2025. The comptroller amends the title of §20.231 to match the title of the new subchapter, "Multiple Award Purchasing Procedure."

The comptroller amends subsection (a) to align with Government Code, Chapter 2156, Subchapter E. The term "multiple award contract procedure" is replaced with "multiple award purchasing procedure," which is the term used in Government Code, Chapter 2156, Subchapter E. The phrase "in the best interest of the state" is replaced with "necessary to ensure adequate delivery, service, or product compatibility," which is the legal standard used in Government Code, §2156.202. The term "bidder" is replaced with "anticipated respondent," to reflect that Government Code, §2156.204 allows the multiple award purchasing procedure to be used in conjunction with an invitation for bids, request for proposals, or request for offers. Subsection (a), as amended, allows an agency to consider any relevant facts in its determination of whether multiple awards are necessary in accordance with Government Code, §2156.202. It specifies that the need to maintain a continuous supply of essential items is one fact that supports the use of the multiple award purchasing procedure.

The comptroller amends subsection (b) to require that a solicitation disclose the agency's intent to issue multiple awards to and identify the agency's criteria for selection of respondents to award. This amendment implements Government Code, §2156.203, which requires disclosure of intent and criteria for multiple awards in each solicitation for a multiple award contract.

The comptroller amends subsection (c) to allow multiple awards on invitations for bids, requests for proposals, and requests for offers. Government Code, §2156.204 explicitly allows the multiple award purchasing procedure to be used in conjunction with each of these methods. Subsection (c) as amended, no longer addresses documentation of the basis for determining awards. That subject is covered in new subsection (d).

The comptroller adds subsection (d) to provide that each awardee must provide or be capable of providing the best value to the state, in accordance with the applicable statutory standards. This implements Government Code, §2156.204(b). Because of that best value requirement, subsection (d) further provides that agencies shall not award contracts based on minimum qualifications that do not establish best value. Finally, subsection (d) requires agencies to create and retain documentation of their compliance with the best value requirement for multiple contract awards.

The comptroller adds subsection (e) to address small orders under multiple award contracts. Subsection (e) states that agencies must document that such orders obtain best value for the state. However, the amended rule does not require an agency to document the best value determination for each small order. Instead, it is sufficient to document a best value ordering procedure. This subsection achieves compliance with Government Code, §2156.205, while reducing administrative burdens consistent with the policy of Government Code, §2155.132(e)(1).

The comptroller adds subsection (f) to address large orders under multiple award contracts. Subsection (f) states that an agency shall evaluate each contemplated order to determine whether it provides the best value to the state and document its determination in the contract file. This subsection implements Government Code, §2156.205.

The comptroller adds subsection (g) to describe one method of determining best value when ordering under multiple award contracts. Subsection (g) states that an agency may conduct secondary competition under a multiple award contract by notifying qualified contractors of the scope of work to be ordered, and inviting them to submit proposals. Subsection (g) gives agencies discretion to order from the contractor that offers the best value, or to cancel the secondary competition. This subsection implements Government Code, §2156.205, and provides flexibility for agencies to respond to emergent facts and circumstances, such as changes to their budgets or priorities.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendments are in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed rule amendments would have no significant fiscal impact on the state government, units of local government, or individuals. The proposed amendments would benefit the public by improving the clarity and implementation of the section. There would be no anticipated economic cost to the public. The proposed amendments would have no fiscal impact on small businesses or rural communities.

An online public hearing will be held to receive comments on the proposed amendment. There is no physical location for this meeting. The meeting will be held at 10:00 a.m. on Tuesday, February 10, 2026. To access the online public meeting by web browser, please enter the following URL into your browser: https://txcpa.webex.com/txcpa/j.php?MTID=mc5da036d94cb39fac7c45cfeacf72d09. To join the meeting by computer or cell phone using the Webex app, use the access code 24868453987 and password SPDRULES. Persons interested in providing comments at the public hearing

may contact Mr. Gerard MacCrossan, Comptroller of Public Accounts, at Gerard.MacCrossan@cpa.texas.gov or by calling (512) 463-4468 by February 9, 2026.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to Gerard MacCrossan, Statewide Procurement Division, P.O. Box 13528 Austin, Texas 78711 or to the email address: Gerard.MacCrossan@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

The amendments are proposed under Government Code, §2156.0012 (Authority to Adopt Rules), which provides the comptroller with the authority to adopt rules to efficiently and effectively administer Government Code, Chapter 2156 (Purchasing Methods).

The amendments implement Government Code Chapter 2156, Subchapter E, added by House Bill 4748, 89th Legislature, 2025, effective September 1, 2025.

§20.231. Multiple Award Purchasing [~~Contracts~~] Procedure.

(a) The comptroller or a state agency may use the multiple award purchasing [~~contract~~] procedure only after the director or the agency's purchasing director has made a written determination that its use is necessary to ensure adequate delivery, service, or product compatibility [~~in the best interest of the state~~]. In arriving at a determination, the director or the agency may [~~will~~] consider any relevant facts, including [~~the following factors~~]:

(1) the quality, availability, and reliability of the supplies, materials, equipment, or service and their adaptability to the particular use required;

(2) the ability, capacity, and skill of the anticipated respondents [~~bidder~~];

(3) the sufficiency of the anticipated respondents' [~~bidder's~~] financial resources;

(4) the anticipated respondents' [~~bidder's~~] ability to provide maintenance, repair parts, and service;

(5) the compatibility with existing equipment;

(6) the need for flexibility in evaluating new products on a large scale before becoming contractually committed for all use; and

(7) the need to maintain a continuous supply of essential items. [~~any other relevant factors.~~]

(b) When the comptroller or a state agency intends to use the multiple award purchasing procedure, the solicitation shall disclose that intent and identify the criteria it will use to select respondents for award. [~~When the director or procuring state agency's purchasing director finds that one or more of the above factors is important to the contract and that objective specifications for those factors cannot be prepared, the director or agency's purchasing director may determine that the multiple award contract procedure will serve the best interest of the state.~~]

(c) A solicitation using the multiple award purchasing procedure must be an invitation for bids [~~Bids on multiple award invitations will be evaluated as are other bids~~] under §20.207 [~~§20.207(b)~~] of this title (relating to Competitive Sealed Bidding), a request for proposals under §20.208 of this title (relating to Competitive Sealed Proposals), or a request for offers under §20.222 of this title (relating to Methods for Procuring Automated Information Systems, including Request for Offers Method). [~~except that more than one award may be made. The basis for determining awards shall be reasonably related to the factors relied upon in using the multiple award contract procedure and shall be disclosed in the bid invitation.~~]

(d) The comptroller or a state agency may award multiple contracts under this section only if each awardee provides or is capable of providing the best value to the state, in accordance with standards provided in Government Code, Chapters 2155, 2156, 2157, and 2158, as applicable. A contract award shall not be made to a vendor on the basis of minimum qualifications that do not establish best value. The comptroller or state agency shall document compliance with this requirement in the contract file.

(e) For orders under multiple award contracts that do not exceed the threshold for small purchases in §20.211 of this title (relating to Small Purchases), the comptroller or a state agency shall document how ordering will obtain best value for the state. For example, the comptroller or state agency may describe its way of placing orders in the contract, a memorandum, or a procedure document.

(f) For orders under multiple award contracts that exceed the threshold for small purchases in §20.211 of this title, the comptroller or a state agency shall evaluate each contemplated order to determine whether it provides the best value to the state. The comptroller or state agency shall document its determination and retain the documentation in the contract file.

(g) The comptroller or a state agency may conduct secondary competition under a multiple award contract if necessary to determine which contractor provides the best value to the state. To conduct secondary competition, the comptroller or a state agency shall notify the qualified contractors of the scope of work to be ordered and invite them to submit proposals. The comptroller or state agency shall select the proposal that offers the best value to the state, or else use its discretion to cancel the secondary competition.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on January 23, 2026.

TRD-202600280
Don Neal
General Counsel, Operations and Support Legal Services
Comptroller of Public Accounts
Earliest possible date of adoption: March 8, 2026
For further information, please call: (512) 475-2220

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ADOPTED RULES

Adopted rules include new rules, amendments to existing rules, and repeals of existing rules. A rule adopted by a state agency takes effect 20 days after the date on which it is filed with the Secretary of State unless a later date is required by statute or specified in the rule (Government Code, §2001.036). If a rule is adopted without change to the text of the proposed rule, then the *Texas Register* does not republish the rule text here. If a rule is adopted with change to the text of the proposed rule, then the final rule text is included here. The final rule text will appear in the Texas Administrative Code on the effective date.

TITLE 1. ADMINISTRATION

PART 15. TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 372. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS

SUBCHAPTER B. ELIGIBILITY

DIVISION 6. RESOURCES

1 TAC §372.355

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts an amendment to §372.355, concerning Treatment of Resources in SNAP.

Section 372.355 is adopted without changes to the proposed text as published in the August 22, 2025, issue of the *Texas Register* (50 TexReg 5411). This rule will not be republished.

BACKGROUND AND JUSTIFICATION

The amendment is necessary to comply with Texas Human Resources Code §33.021, which requires HHSC to increase the excluded amounts of a vehicle's fair market value (FMV) when determining Supplemental Nutrition Assistance Program (SNAP) eligibility. Texas Human Resources Code §33.021 was amended by House Bill 1287, 88th Legislature, Regular Session, 2023. The amendment updates the excluded amount of FMV from the first and additional vehicle when determining the value of countable resources.

Households qualify to receive SNAP benefits by meeting eligibility requirements when they apply, recertify, or report a change. One requirement limits the amount of certain financial resources SNAP recipients may have on hand (e.g., cash, vehicles). To meet the resource test, the household's countable liquid resources plus excess vehicle value must be $5,000 or less.

The amendment updates the exclusionary amount for vehicles from $15,000 to $22,500 for the highest valued vehicle and $4,650 to $8,700 for all other countable vehicles.

COMMENTS

The 31-day comment period ended September 22, 2025.

During this period, HHSC received a comment from one individual. A summary of the comment relating to the rule and HHSC's response follows.

Comment: One commenter requested that the proposed rule not cause a reduction in SNAP benefits.

Response: HHSC declines to revise the rule in response to this comment. Implementation of the rule will only increase the portion of the vehicle value amount that is not counted towards the SNAP resource limit of $5,000 and does not impact a person's SNAP benefit amount.

STATUTORY AUTHORITY

The amendment is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 23, 2026.

TRD-202600260
Karen Ray
Chief Counsel
Texas Health and Human Services Commission
Effective date: February 12, 2026
Proposal publication date: August 22, 2025
For further information, please call: (903) 330-6847

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TITLE 16. ECONOMIC REGULATION

PART 3. TEXAS ALCOHOLIC BEVERAGE COMMISSION

CHAPTER 35. ENFORCEMENT

16 TAC §35.5, §35.6

The Texas Alcoholic Beverage Commission (TABC) adopts new 16 TAC §35.5, relating to Prohibited Sales of Consumable Hemp Products to Minors, and §35.6, relating to Mandatory Age Verification for Consumable Hemp Product Sales. The new rules are adopted with changes to the proposed text as published in the December 5, 2025, issue of the *Texas Register* (50 TexReg 7818) and will be republished.

REASONED JUSTIFICATION. The new rules are necessary to implement Executive Order GA-56 (Sept. 10, 2025), which directs TABC to "immediately begin the rulemaking process to protect the public health, safety, and welfare by prohibiting the sale of hemp-derived products to a minor and requiring verification of the purchaser's age with government issued identification prior to completing the sale of any such product, on pain of cancellation of a permit, license, or registration issued by" TABC. The

new rules prohibit a TABC licensee or permittee from selling, offering for sale, serving, or delivering consumable hemp products (CHPs) to a person younger than 21 years of age, and require a TABC licensee or permittee to inspect the identification of certain persons wanting to purchase or obtain CHPs to confirm their age. The new rules are intended to prevent minors from accessing and using CHPs that will negatively impact the health, general welfare, and public safety of minors in Texas, and to ensure the place and manner in which a permittee or licensee conducts its business is consistent with the general welfare, health, peace, morals, and safety of the people and the public sense of decency. *See* Tex. Alco. Bev. Code §§5.31(b)(1), 11.61(b)(7), 61.71(a)(16).

In response to a public comment, TABC has modified the proposed language in §35.5(e) and §35.6(f) to clarify the agency's intent behind those provisions. The purpose of the provisions is to prevent a license or permit holder (and certain associated persons) from being issued a new original license or permit from TABC for a designated time period if the holder had a license or permit cancelled under the proposed rules. The proposed rules are not intended to prevent the renewal of current licenses and permits that were not cancelled under the rules. The agency has inserted the term "original" in §35.5(e) and §35.6(f) to clarify that intent.

Also in response to a public comment, TABC has modified the proposed language in §35.5(e)(3)-(4) and §35.6(f)(3)-(4) to clarify that the provisions are not limited to entities organized as corporations. Instead, the cited provisions should cover all types of legal entities. The agency has inserted the phrase "or other legal entity" in the cited provisions to clarify the agency's intent and rules' impact. Corresponding changes have also been made to remove references to corporate stock ownership and replace them with references to general ownership interests.

EXPEDITED EFFECTIVE DATE. The new rules will replace the current emergency rules addressing CHP sales and age verification requirements that were previously adopted by TABC. *See* 50 TexReg 6577 (2025) (emerg. rules 16 Texas Administrative Code §§51.1, 51.2) (adopted Sep. 23, 2025) (Tex. Alco. Bev. Comm'n, Prohibited Sales of Consumable Hemp Products to Minors and Mandatory Age Verification for Consumable Hemp Product Sales). The emergency rules are set to expire on January 21, 2026, as provided by Texas Government Code §2001.034(c). The new rules must be effective upon the expiration of the emergency rules, otherwise minors' access to CHPs at TABC-licensed establishments may resume. Because of the dangers associated with minors' use of CHPs, allowing for the resumption of access to these products qualifies as an imminent peril to the public health, safety, or welfare. *See* 50 TexReg 6578 (citing harms associated with CHP use by minors). Therefore, the new rules will take effect on January 21, 2026, upon the expiration of the emergency rules. *See* Tex. Gov't Code 2001.036(a)(2) ("if a state agency finds that an expedited effective date is necessary because of imminent peril to the public health, safety, or welfare . . . a rule is effective immediately on filing with the secretary of state, or on a stated date less than 20 days after the filing date").

PUBLIC COMMENTS. TABC held a public hearing on December 11, 2025, to receive comments on the proposed rules. At the hearing, TABC received 12 comments from ten commenters. The agency also received 28 written comments during the 30-day comment period. Comments were submitted by Texans for Safe and Drug-Free Youth, Hemp Beverage Alliance, Texas Police Chiefs Association, Texas Hemp Business Council, BrackinShwartz & Associates, Martin Frost & Hill P.C., The Banks Law Firm P.A., Uniwyze, Inc., ECL Testing, Amy Harrison Consulting, Stages of Recovery, Inc., Bayou City Hemp Company, Inc., The Coalition, Inc., Seasons of Hope Center, Texas Package Store Association, Texas Food & Fuel Association, and 16 individuals.

COMMENT SUMMARY. One commenter suggests using "strong, evidence-based regulation to prevent youth access."

AGENCY RESPONSE. TABC appreciates the comment and believes the proposed rules are in line with the suggestion. By prohibiting TABC licensees and permittees from selling CHPs to minors, and requiring them to engage in age verification, the proposed rules should limit youth access to CHPs.

COMMENT SUMMARY. One commenter questions the scope of proposed §35.5(e) and §35.6(f), which prevent a license or permit holder (and certain associated persons) from being issued a TABC license or permit for a designated period of time if the holder had a license or permit cancelled for a violation of the proposed rules. Specifically, the commenter questions whether the rules are intended to prevent a license or permit holder with multiple licenses or permits from *renewing* any current licenses or permits that were not cancelled under the proposed rules for the designated period of time, or whether the rules are only intended to prevent the issuance of new original licenses and permits to such persons during the designated time period. If the latter, the commenter suggests modifications to the proposed language to clarify that intent.

AGENCY RESPONSE. As background, if a licensee or permittee with multiple licenses or permits violates the proposed rules, TABC may only suspend or cancel the retail-tier license or permit for the premises where the violation occurred. *See* Tex. Alco. Bev. Code §§ 11.66, 61.72. Therefore, it is possible for a retailer to have a single license or permit cancelled under the rules, while any remaining licenses or permits held by that person remain in effect. To the commenter's question, it is TABC's intent to deny the issuance of new original licenses and permits to such a person for the time period designated in proposed §35.5(e) or §35.6(f), not to deny the renewal of existing licenses or permits held by that person. *See* Proposal Preamble, 50 TexReg 7819 ("Additionally, if a license or permit is cancelled under §35.5, the license or permit holder, and certain other associated persons, will not be eligible for any *new* license or permit for five years from the date of cancellation. If a license or permit is cancelled under §35.6, the license or permit holder, and certain other associated persons, will not be eligible for any *new* license or permit for one year from the date of cancellation.") (emphasis added). As mentioned above, TABC has made a change to the referenced sections to clarify that intent.

COMMENT SUMMARY. One commenter asks whether the term "corporation" in §35.5(e)(3)-(4) and §35.6(f)(3)-(4) covers legal entities that may not technically be organized as a corporation.

AGENCY RESPONSE. The term "corporation" in the cited sections is not intended to be limited strictly to entities organized as corporations, as defined in the Business Organizations Code. *See* Tex. Bus. Org. Code §1.002(14) (defining "corporation" as used in that code). The public safety purpose of these rules requires a broad interpretation, and the cited sections should also cover other types of entities, regardless of how they are organized. As such, and as mentioned above, TABC has made

changes to the cited sections so that each will cover other types of legal entities.

COMMENT SUMMARY. One commenter requested that the agency clarify the meaning of the phrase "a person who held an interest in the license or permit" in §35.5(e)(2) and §35.6(f)(2).

AGENCY RESPONSE. The phrase "person who held an interest in the license or permit" in §35.5(e)(2) and §35.6(f)(2) is based on substantially similar phrases used in multiple statutes within the Alcoholic Beverage Code. *See, e.g.,* Tex. Alco. Bev. Code §§ 11.10, 11.70(a), 28.16, 37.07(1), 102.01(c), 102.18(b) 109.59(c). In a 2017 proposal for decision from the State Office of Administrative Hearings, an administrative law judge concluded that "under the [Alcoholic Beverage] Code, a 'person having an interest in a permit' is one who in some fashion holds a 'personal privilege' (like a partner, spouse, or trustee in bankruptcy) to conduct an enterprise or business in the manufacture, sale, distribution, transportation, and possession of alcoholic beverages at the manufacturing, wholesaling, and retailing levels." *See McLane Co. v. Renewal Application of Core-Mark Midcontinent, Inc.*, Proposal for Decision, 2017 WL 4174371 (2017); *see also Cadena Comercial USA Corp. v. TABC*, 518 S.W.3d 318, 327-331 (Tex. 2017) (discussing the term "interest" as used in similar contexts). TABC ultimately adopted the proposal for decision without changes to the administrative law judge's interpretation of that phrase. *See* Commission Order, Docket No. 641578 (March 14, 2018). Applying that same approach here, the phrase "a person who held an interest in the license or permit" in §35.5(e)(2) and §35.6(f)(2) implicates a person who in some fashion holds a personal privilege (like a partner, spouse, or trustee in bankruptcy) to conduct an enterprise or business authorized by the license or permit.

COMMENT SUMMARY. One commenter requests that the agency reaffirm that the proposed rules apply only to TABC-licensed or permitted premises and do not apply to CHP-retailers registered solely with the Department of State Health Services (DSHS).

AGENCY RESPONSE. The proposed rules apply only to persons who have a TABC license or permit. If a person is registered with DSHS as a CHP-retailer, but the person does not also have a TABC license or permit, the proposed rules do not apply to that person.

COMMENT SUMMARY. One commenter acknowledges that the proposed rules appropriately cross-reference DSHS' definition of "consumable hemp product," but suggests that "TABC track the operative statutory and regulatory language more closely" to avoid confusion.

AGENCY RESPONSE. The proposed rules use DSHS' definition of CHP, as defined in that agency's rules. That definition is currently set in 25 TAC §300.101(8), but DSHS has recently proposed to move the definition to §300.101(11) and amend it to read as follows: "Consumable hemp product (CHP)--Any product processed or manufactured for consumption that contains hemp, including food, a drug, a device, and a cosmetic, as defined by Texas Health and Safety Code §431.002. The definition excludes any hemp product containing a hemp seed or hemp seed-derived ingredient that the FDA has designated as Generally Recognized as Safe (GRAS)." 50 TexReg 8488 (2025). TABC believes it is appropriate to defer to DSHS' definition as it is the Texas agency charged with primary regulatory authority over CHPs, and enforcement of both agencies' rules requires consistency in what constitutes a "consumable hemp product." TABC's proposed rules directly reference DSHS' definition for that reason. Any suggested changes to the definition should be addressed to DSHS.

COMMENT SUMMARY. Several commenters agree with the proposed rules' prohibition on selling CHPs to minors and age-gating requirements, but they question the severity of the administrative sanctions for violating the proposed rules. Some commenters question why the sanctions are more severe than the administrative sanctions for selling alcoholic beverages to minors. The commenters believe the sanctions for selling CHPs to minors and selling alcoholic beverages to minors should be in line with each other. Other commenters believe that the agency should allow the payment of civil monetary penalties in lieu of any license or permit suspension or cancellation, and that cancellation should be reserved for willful, repeated, or egregious conduct. Still another commenter argues that the five-year prohibition on issuing a new license or permit in §35.5(e) should be reduced to one year, and the one-year prohibition in §35.6(f) should be removed. But another commenter believes that the agency should cancel the license or permit for even a first violation of the proposed rules, as provided in the emergency rules, and impose a permanent ban on obtaining a new license or permit.

AGENCY RESPONSE. The agency disagrees with the commenters' suggestion to lessen the sanctions for violating the proposed rules, including by allowing the payment of civil penalties instead of any license or permit suspension or cancellation. Selling alcoholic beverages to minors is a serious offense that can lead to license or permit suspension or cancellation. *See* 16 TAC § 34.2. But while the suggested duration of license or permit suspension for selling alcoholic beverages to minors in TABC's current rules is generally less than that for selling CHPs to minors in the proposed rules, the Alcoholic Beverage Code also makes it a Class A misdemeanor to sell alcoholic beverages to minors. *See* Tex. Alco. Bev. Code §106.03(c). Class A misdemeanors carry a punishment of a fine not to exceed $4,000 and/or confinement in jail for a term not to exceed one year. *See* Tex. Pen. Code §12.21. Additionally, it is a crime for a minor to purchase or consume alcoholic beverages. Tex. Alco. Bev. Code §§106.02, 106.03. The combination of criminal penalties for both the retailer and minor, coupled with the listed administrative sanctions, serve as a significant deterrent to selling alcoholic beverages to minors and purchasing such beverages by minors.

The agency seeks to establish a similarly significant deterrent to selling CHPs to minors as well, but Texas law does not currently proscribe a criminal offense for selling those products to minors or for minors who purchase such products (though once the proposed rules are effective, a violation of agency rules amounts to a violation of the Alcoholic Beverage Code, *see id.* §101.61). Without the weight of potential criminal sanctions, the agency must rely on administrative sanctions in order to establish a significant deterrent to selling CHPs to minors. The agency believes those administrative sanctions must be severe in order to have the intended effect. The suspension of a license or permit for a week or more, or the cancellation of a license or permit, is a severe sanction and TABC believes it will serve as the desired deterrent. To allow a licensee or permittee (many of whom have significant financial resources) to avoid license or permit suspension or cancellation by paying a civil fine instead would weaken the effectiveness of the rules.

The prohibition on selling alcoholic beverages to minors has also been in place for many decades, and both the public and alcoholic beverage industry are familiar with it. But prior to the adoption of TABC's emergency rules, no state law or rule prohibited retailers from selling CHPs to minors. This is a new restriction, and TABC believes establishing severe penalties for violations will garner more attention from the industry, thus amplifying the proposed rules' deterrent effect.

While the agency's intent is that these rules provide a strong deterrent, TABC recognizes that violations may occur despite best efforts taken by a license or permit holder. That is why the rules now allow the agency to impose license or permit suspension as a sanction, instead of just cancellation as the emergency rules did.

Finally, it is the agency's intent that the sanction of license or permit cancellation be reserved for repeated or egregious conduct, as some commenters suggest. Proposed §35.6(d) allows for license or permit cancellation only upon the fourth violation of failing to check a CHP purchaser's or recipient's proof of identification. Proposed §35.5(c) does allow for license or permit cancellation for a first or second violation of selling CHP to a minor, but TABC does not intend to seek cancellation for a first or second violation unless the facts of a particular case are serious enough to warrant that outcome. Facts that may militate against cancellation for a first or second violation include good faith efforts taken by a retailer to ensure its employees abide by the proposed rules, a retailer's use of proper electronic age-verification technology, and self-reporting of violations and prompt corrective action taken by a retailer. The additional restrictions in proposed §35.5(e) and §35.6(f) that prohibit the agency from issuing a new original license or permit to certain persons for five years or one year, respectively, are only effective upon the cancellation of a license or permit. So those provisions will also only be implemented for egregious or repeated violations. For the same reasons articulated above (e.g. deterrent effect), the agency disagrees with the comment arguing that the five-year prohibition on issuing a new license or permit in §35.5(e) should be reduced to one year and the one-year prohibition in §35.6(f) should be removed.

Finally, the agency acknowledges that at least one commenter believes license or permit cancellation and a permanent ban on obtaining a new license or permit should be imposed for any CHP sale to a minor. After careful consideration, however, TABC believes it should retain some discretion in imposing such a severe sanction for a first or second violation. Further, license or permit suspension is the minimum sanction under the proposed rules, and that itself is a significant penalty that the agency believes will serve as a strong deterrent.

COMMENT SUMMARY. Multiple commenters suggest that in those scenarios where a license or permit holder's employee sells CHPs to a minor or fails to comply with the rule's age-gating requirements, the agency should hold the employee accountable, not the employer. These commenters point to the "safe harbor" provision in Alcoholic Beverage Code §106.14 and suggest the proposed rules provide similar protection for employers. Other commenters insist that the rules must hold the employer accountable.

AGENCY RESPONSE. The Alcoholic Beverage Code and the agency have historically held license and permit holders accountable for the actions of their employees in many instances, *see* Tex. Alco. Bev. Code §1.04(11) and (16) (defining "licensee" and permittee" to include employees), and TABC believes that same approach is warranted here in order to enhance the deterrent effect of the rules. It is incumbent on the license or permit holder to ensure its employees abide by agency rules, especially rules like those proposed here that are designed to protect public safety. Furthermore, the agency is limited in what administrative sanctions it may impose directly on a license or permit holder's employees because the employees are not licensed by TABC.

Section 106.14 of the Alcoholic Beverage Code does provide a "safe harbor" where the actions of an employee will not be attributed to their employer if certain conditions are met, but that "safe harbor" only applies to employee actions involving the sale, provision, or delivery of *alcoholic beverages*. One of the conditions to qualify for that "safe harbor" is that the employee attend a TABC-approved seller training program. But such programs do not address CHP sales at this time, so there is no equivalent basis on which to establish a similar "safe harbor" in the proposed rules. If TABC approves a seller training program that does address CHP sales, the agency may revisit whether to establish a "safe harbor" at that time.

COMMENT SUMMARY. Multiple commenters state that the rules should require or provide incentive to use electronic scanning of proof of identification prior to any CHP sales and deliveries, with some commenters stating that entry onto premises where CHPs are sold should be limited to those at least 25 years old and electronic ID verification should be required for entry onto the premises. Other commenters suggest that entry onto such a premises should be limited to those 21 years old and older.

AGENCY RESPONSE. The agency disagrees with the commenters' suggestion to mandate that licensees and permittees (including delivery services) use electronic scanning of IDs to verify a CHP purchaser's or recipient's age. Many of the TABC licensees and permittees that currently engage in the retail sale of CHPs will be required to electronically scan IDs during the retail sale of alcoholic beverages, though enforcement of that requirement does not begin until September 1, 2027. *See* Tex. Alco. Bev. Code §109.61(a-1), (a-4). TABC suspects that many of those same licensees and permittees will likely engage in electronic scanning of IDs during the sale of CHPs as well since they will already have the technology to do so and the sanctions for violating the proposed rules are severe. But, for those remaining licensees and permittees not subject to §109.61(a-1), obtaining an electronic scanner may be cost prohibitive or logistically difficult. TABC believes it is sufficient that properly trained staff physically inspect the IDs of CHP purchasers and recipients, but the agency will monitor the effectiveness of this approach and revisit the rules if necessary. However, as previously noted, the agency will consider the use of electronic verification as a factor in determining an appropriate sanction.

Additionally, TABC disagrees with the suggestions to limit access to CHP retailers' premises to those 25 or 21 years old and older. Most retailers subject to these rules sell multiple types of non-hemp products and provide a wide range of services unrelated to CHPs. To limit access to these premises as suggested would have a significant economic impact on the retailers and create potential hardships for consumers under the age of 25 or 21, with limited benefit because the retailers will already be required to verify ages prior to completing CHP sales and deliveries. TABC believes that protection is sufficient to carry out the governor's order and limit CHP access to minors.

COMMENT SUMMARY. One commenter suggests that the proposed rules recognize and allow for the use of "digital drivers licenses," consistent with the Transportation Code, for age-gating purposes.

AGENCY RESPONSE. TABC is not aware of any digital identification or driver's license issued by the Department of Public Safety (DPS) under the Transportation Code. Nevertheless, the proposed rules require retailers to carefully inspect a valid *government-issued* proof of identification. If digital identification or driver's licenses are issued by DPS, then the proposed rules would allow for their use.

COMMENT SUMMARY. One commenter asks that the agency: (1) affirm that it will coordinate with DSHS and the Comptroller of Public Accounts (CPA) on CHP definitions and packaging, labeling, and testing requirements so that the industry is not subject to divergent standards for the same product; and (2) clarify that the proposed rules do not supplant DSHS' CHP-related registration or enforcement requirements.

AGENCY RESPONSE. The agency will coordinate with any other state agency with primary or concurrent jurisdiction in the area of CHPs, as directed by the governor. DSHS is the primary agency charged with regulating the manufacture, distribution, and sale of CHPs under Chapter 443 of the Texas Health and Safety Code, while the CPA is the primary agency charged with enforcing prohibitions on e-cigarettes under Chapter 161 of the Texas Health and Safety Code. *See* Tex. Health & Safety Code §161.0876(b)(4) (e-cigarette may not contain cannabinoids). TABC will coordinate with these agencies (and any others) as appropriate to ensure TABC's consistent application of standards. Furthermore, the proposed rules are not intended to supplant DSHS' CHP-related rules. The proposed rules do not regulate CHPs, per se, but instead regulate the conduct of TABC licensees and permittees if and when they engage in CHP sales and deliveries in order to limit minors' access to such products.

COMMENT SUMMARY. One commenter expresses concern that minors may still purchase CHPs online and receive delivery of the products in Texas without undergoing age verification. The commenter requests that TABC, along with DSHS and other law enforcement agencies, ensure age verification standards apply to such purchases made at brick-and-mortar establishments and through online channels.

AGENCY RESPONSE. The age verification requirements in the proposed rules do not distinguish between CHP sales made in-person or online. The rules also apply to any TABC-licensed person that delivers CHPs in Texas. Therefore, if a Texas resident purchases CHPs online from an out-of-state retailer, the person delivering the products in Texas still must comply with the rules' age verification requirements before completing the delivery. But again, these rules only apply to persons licensed by TABC. Many, but not all, delivery carriers are licensed by TABC. TABC does not have the authority to require carriers that are not licensed by the agency to comply with the proposed rules.

COMMENT SUMMARY. One commenter asks that TABC provide "real-world examples" of how the rules will be enforced. The commenter expresses concern about the "doubling up" of sanctions for violations.

AGENCY RESPONSE. Each of the proposed rules and their corresponding sanctions stand-alone from one another. Section 35.5 generally prohibits the sale of CHPs to minors, while §35.6 establishes age-gating requirements. Depending on the facts, a particular sale or delivery of CHPs may violate one, both, or neither of the rules. If a retailer violates both rules, sanctions may be imposed under both rules.

Example 1: A TABC-licensed retailer sells CHPs to a 35-year old customer without inspecting the customer's government-issued proof of identification. That retailer has violated §35.6, but not §35.5. If this is the retailer's first violation, the retailer's TABC license is subject to at least a seven-day suspension under §35.6(d)(1).

Example 2: A TABC-licensed retailer sells CHPs to a 20-year old customer without inspecting the customer's government-issued proof of identification. That retailer has violated both §35.5 and §35.6. As previously noted, §35.5(c) does allow for license cancellation for a first violation of selling CHP to a minor, but TABC does not intend to seek cancellation for a first violation unless the facts of a particular case are serious enough to warrant that outcome. In this example we will presume the facts do not warrant cancellation. Thus, the retailer's license is subject to at least a 30-day suspension for selling CHPs to a minor and at least a seven-day suspension for failing to inspect the customer's proof of identification. TABC could seek to impose the suspensions consecutively, but TABC would typically seek to impose the suspensions concurrently, meaning the retailer's license would only be suspended for at least 30 days.

Example 3: A TABC-licensed retailer sells CHPs to a customer that claims to be 21-years old, but is actually just 20 years old. The retailer inspected the customer's proof of identification and otherwise complied with the age-gating requirements in §35.6 and reasonably believed the customer was 21 years old. There is no violation of either rule. Even though the retailer sold CHPs to a minor, the exception provided for in §35.5(f) applies.

COMMENT SUMMARY. One commenter states that the rules should: (1) prohibit the placement of CHPs near youth-oriented products; (2) restrict youth-appealing flavors and packaging for CHPs; (3) require age-gating for CHP-related digital marketing and social media; (4) prohibit the sale of CHPs within 1000 feet of schools, playgrounds, and youth facilities; (5) require strong youth-focused warning labels on CHPs; (6) prohibit CHP placement near, and mixing with, alcoholic or high-caffeine beverages; (7) prohibit CHP advertising near youth spaces; (8) prohibit CHP advertising on gas station fuel pumps; and (9) implement strong licensing penalties for CHP sales to minors. Other commenters suggest that TABC prohibit THC-infused foods and beverages because these products violate federal food safety laws, appeal to minors, and are involved in accidental ingestion.

AGENCY RESPONSE. The agency appreciates the commenter's suggestion to implement strong licensing penalties for CHP sales to minors. The agency believes the proposed rules provide strong penalties (even stronger than suggested by the commenter), so no changes will be made in response to this comment.

The remaining suggestions are beyond the scope of this rulemaking, and some are likely beyond TABC's authority. As previously noted, the proposed rules implement Governor Abbott's executive order by prohibiting TABC licensees and permittees from selling CHPs to minors and requiring the licensees and permittees to verify a purchaser's or recipient's age by checking their proof of identification. The governor's directive to TABC regarding rulemaking did not go beyond that prohibition and requirement, and TABC does not believe it is appropriate to en-

gage in any regulation in the CHP sphere beyond that directive. Furthermore, TABC does not have broad authority over CHPs in general. Instead, the agency is exercising its existing regulatory authority over its licensees and permittees to ensure the place and manner in which they conduct their business is consistent with the general welfare, health, peace, morals, and safety of the people, and the public's sense of decency. *See* Tex. Alco. Bev. Code §§11.61(b)(7), 61.71(a)(16). The agency believes selling CHPs to minors and failing to verify a purchaser's or recipient's age clearly does not meet that standard. TABC is mindful that its regulatory authority is centered on the *conduct* of its licensees and permittees, not the products themselves. As previously noted, DSHS is the primary agency charged with regulating the manufacture, distribution, and sale of CHPs under Chapter 443 of the Texas Health and Safety Code. That agency is also engaging in rulemaking in response to the governor's order, and TABC believes the commenter's remaining suggestions should be directed to DSHS. Furthermore, to the extent the sale of any particular product is prohibited by federal or state law, the proposed rules do not authorize its sale. Any TABC licensee or permittee that sells or delivers an illegal product commits a violation.

COMMENT SUMMARY. Multiple commenters suggest that the proposed rules prohibit the sale of CHPs to anyone under the age of 25, while one commenter suggests that the rules require any person selling or providing CHPs be at least 25 years of age as well.

AGENCY RESPONSE. The agency acknowledges the existence of research and anecdotal evidence showing the harms associated with CHP use in those under the age of 25, but TABC still disagrees with the commenter's suggestion. First, there is also evidence demonstrating the harms associated with alcohol use in all ages, but the state still permits those 21 years of age and older to purchase alcohol. TABC employs that same rationale here. Next, the governor's executive order specifically directs TABC to limit CHP access for "minors" (those 21 and older), and as noted above, TABC does not believe it is appropriate to engage in regulation beyond the scope of the governor's order. Finally, this agency is tasked with enforcing the Alcoholic Beverage Code, which prohibits the sale of alcoholic beverages to anyone under the age of 21. The agency and the industry it regulates are familiar with this prohibition and its application to those under the age of 21. For TABC to employ different age restrictions for alcoholic beverages and CHPs could lead to confusion by agency staff and the industry. For these reasons, TABC believes it is appropriate to apply a consistent age restriction on the purchase of both alcoholic beverages and CHPs. Regarding the suggestion that TABC require individuals selling CHPs to be a minimum of 25 years old, the agency is limited in its authority because the Alcoholic Beverage Code already establishes minimum age requirements to work at TABC-licensed locations. *See* Tex. Alco. Bev. Code §§25.04, 26.03, 61.71, 74.04, 106.09. TABC cannot impose restrictions that are inconsistent with those statutes.

COMMENT SUMMARY. Multiple commenters suggest that the sale of illegal controlled substances or products not approved by the Food and Drug Administration should result in mandatory license or permit cancellation, and that mandatory compliance checks and sting operations should be conducted on a regular basis.

AGENCY RESPONSE. The agency appreciates the commenters' suggestions to mandate compliance checks. TABC uses a risk-based approach to conducting enforcement activities and inspections, as required by law. Tex. Alco. Bev. Code §5.361. The agency does intend to conduct routine compliance checks and undercover stings to enforce the proposed rules, but the agency does not believe codifying the agency's enforcement plans into these rules is warranted. The agency must retain flexibility to marshal its resources where and when it deems appropriate. The remaining suggestion regarding the loss of a license for selling illegal controlled substances or unapproved products is not within the scope of this rulemaking. TABC already has rules providing sanctions for selling illegal substances, *see* 16 TAC §34.2(e), and the proposed rules do not impact those sanctions. As such, no changes will be made in response to this comment.

COMMENT SUMMARY. Multiple commenters suggest that any government-issued license held by a retailer should be at risk if the retailer violates the rules, and state and local licensing agencies should coordinate enforcement activities with each other.

AGENCY RESPONSE. TABC appreciates the comment, but TABC only has authority to take administrative action against TABC-issued licenses and permits. To the extent the commenters suggest TABC take action against other types of licenses, the comment is beyond TABC's authority and the scope of this rulemaking. TABC will be coordinating enforcement activities with DSHS and the Department of Public Safety, as directed in Governor Abbott's executive order, and the agency intends to work and share information with local law enforcement agencies where appropriate. TABC does not, however, have authority to mandate that other agencies share information with TABC.

COMMENT SUMMARY. One commenter states that TABC-issued licenses and permits should not be in jeopardy for violations related to CHPs because they are non-alcoholic products.

AGENCY RESPONSE. The agency disagrees with the comment. As previously noted, the agency is exercising its existing regulatory authority over its licensees and permittees to ensure the place and manner in which they conduct their business is consistent with the general welfare, health, peace, morals, and safety of the people, and the public's sense of decency. *See* Tex. Alco. Bev. Code §§11.61(b)(7), 61.71(a)(16). That authority is not limited to issues involving alcoholic beverages. *See* 16 TAC §34.3(c) (A licensee or permittee violates the Alcoholic Beverage Code if it violates "any law, regulation or ordinance of the state or federal government or of the county or municipality in which the licensed premises is located, violation of which is detrimental to the general welfare, health, peace and safety of the people."). The agency believes selling CHPs to minors and failing to verify a purchaser's or recipient's age clearly does not meet the statutory standard. The agency's focus is on the conduct of its licensees and permittees, not the products themselves. Finally, the governor's order directed TABC to take enforcement action against licenses and permits issued by the agency. The order was not limited to just CHP-related licenses issued by DSHS.

COMMENT SUMMARY. Multiple commenters support a grant program for local compliance checks funded through penalties for non-compliance and requiring accurate product labeling, third-party testing, and certificates of analysis for CHPs. One commenter suggests that in-state facilities should be used for testing, while another suggests that CHPs should be subject to product registration and CHP retailers should be subject to large annual license fees. And yet another commenter states

that all CHPs should go through FDA approval prior to entry into the Texas market.

AGENCY RESPONSE. TABC appreciates the comments, but these suggestions are beyond the scope of this rulemaking and TABC's authority. TABC does not have authority to make CHP-related grants, and DSHS, not TABC, is the agency charged with regulating CHP licensing, labeling, testing, etc. *See generally* Tex. Health & Safety Code ch. 443.

COMMENT SUMMARY. One commenter claims "the proposed rules would permit substantial youth exposure to the marketing of" CHPs.

AGENCY RESPONSE. The proposed rules do not address exposure to CHP marketing, so it is unclear to TABC how the rules permit such exposure beyond what is already allowed under current law. As previously noted, the proposed rules implement Governor Abbott's executive order by prohibiting TABC licensees and permittees from selling CHPs to minors and requiring the licensees and permittees to verify a purchaser's or recipient's age by checking their proof of identification. The governor's directive to TABC regarding rulemaking did not go beyond that prohibition and requirement, and TABC does not believe it is appropriate to engage in any regulation in the CHP sphere beyond that directive. Furthermore, TABC does not have broad authority over CHPs in general. DSHS is the primary agency charged with regulating the manufacture, distribution, and sale of CHPs under Chapter 443 of the Texas Health and Safety Code.

COMMENT SUMMARY. One commenter opposes age-gating because she believes that age-gating CHPs sends a message that the products are fine to use.

AGENCY RESPONSE. TABC appreciates the comment. That is certainly not the agency's intended message, but TABC accepts that reasonable people may see it differently. Though TABC believes it is important to note that many of the CHPs in the market are not illegal to sell under current law. So, without age-gating requirements like those imposed in these rules, there would be no limit on youth access to such products. As the governor's order acknowledged, age-gating is an important tool that is within the agency's authority to require for its licensees and permittees.

COMMENT SUMMARY. Multiple commenters suggest that TABC should align or harmonize the proposed rules and definitions with corresponding federal laws and rules on the subject. Some commenters note that Congress recently amended the statutory definition of "hemp" in 7 U.S.C. §1639o to effectively outlaw many of the CHPs in the market today. *See* Agriculture Appropriations Act, P.L. 119-37, Division B, §781. Other commenters note that the federal changes do not go into effect until November 12, 2026, and legislation has been or will likely be filed to make further changes on the subject. These commenters caution against tying the proposed rules to the federal law as it stands now.

AGENCY RESPONSE. The agency disagrees with those commenters that suggest the proposed rules should align with the recent changes in federal law. First, as other commenters have noted, the relevant changes in federal law do not go into effect until late this year. Second, the proposed rules do not effectively legalize any product that is prohibited under federal law (now or under the recently passed federal law), as some suggest. As noted several times before, the proposed rules merely prohibit TABC licensees and permittees from selling CHPs to minors and require them to verify the age of persons wanting to purchase or obtain CHPs, as directed by the governor. If a particular CHP is not legal under federal or state law, retailers would still be prohibited from selling that product. The proposed rules do not change that fact. Furthermore, TABC has aligned its definition of a CHP with DSHS' definition to ensure consistency at the state level. If DSHS believes changes in federal law warrant making changes to its definition, TABC will automatically follow suit.

COMMENT SUMMARY. Multiple commenters suggest that "THCA flower" should be prohibited from being imported into Texas and sold at retail because its "retail availability enables circumventing of THC limits."

AGENCY RESPONSE. The comment is beyond the scope of this rulemaking. As previously noted, DSHS is the primary agency charged with regulating the manufacture, distribution, and sale of CHPs under Chapter 443 of the Texas Health and Safety Code. TABC does not have authority to limit the importation of "THCA flower." TABC also defers to DSHS to determine what CHPs may be sold in Texas. If "THCA flower" is authorized for retail sale by DSHS, TABC will not limit its sale at TABC-licensed locations (as previously noted, if the product cannot be legally sold in Texas, the proposed rules do not change that fact). Again, TABC's regulatory authority is centered on the conduct of its licensees and permittees, not the products themselves. Questions and comments regarding the legal status of certain types of CHPs should be directed to DSHS.

COMMENT SUMMARY. One commenter requests that procedures for license and permit cancellation be established to provide transparency and predictability.

AGENCY RESPONSE. The procedures for sanctions imposed under the proposed rules will follow the agency's standard process for addressing violations. *See* 16 TAC §37.2. As with all licensing actions, the agency will abide by the Administrative Procedure Act and the Alcoholic Beverage Code, which generally require notice and an opportunity for a hearing on an alleged violation. *See* Tex. Alco. Bev. Code §§11.61(b), 61.71(a); Tex. Gov't Code §2001.051. If a licensee or permittee requests a hearing on an alleged violation, it will be held by the State Office of Administrative Hearings, and the Commission (as opposed to the executive director) will render the final decision on any sanction. *See* Tex. Alco. Bev. Code §§5.363(b), 5.43.

COMMENT SUMMARY. Multiple commenters made broad statements concerning the legal status of hemp, tetrahydrocannabinol, and marijuana products in this state. For example, one commenter states that hemp should be legal in Texas, another opposes anything "that would limit the sale, availability, or consumer choice regarding THC products[,]" while another supports a "full ban on harmful THC products."

AGENCY RESPONSE. TABC appreciates the comments, but the subject matter of these statements is beyond the scope of this rulemaking. The rules merely prohibit TABC licensees and permittees from selling CHPs to minors, require them to verify the age of persons wanting to purchase or obtain CHPs, and establish consequences for violations. Because the comments do not address the proposed rules, TABC will make no changes in response to these comments.

COMMENT SUMMARY. One commenter suggests that TABC utilize the commenter's "patented technology-enabled, risk-based regulatory system to support effective oversight of" CHPs.

AGENCY RESPONSE. TABC appreciates the comment, but the agency is not in the market for such a system. Furthermore, if

TABC does decide it needs a system to assist in its regulatory responsibilities, it will abide by all applicable procurement and solicitation requirements imposed by law and rule.

STATUTORY AUTHORITY. TABC adopts the new rules pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31 and 5.33. Section 5.31 provides that "the commission may exercise all powers, duties, and functions conferred by this code, and all powers incidental, necessary, or convenient to the administration of this code," and further states that "it may prescribe and publish rules necessary to carry out the provisions of this code." Section 5.33 provides that "the commission shall supervise and regulate licensees and permittees and their places of business in matters affecting the public." And that "this authority is not limited to matters specifically mentioned in [the] code."

§35.5. Prohibited Sales of Consumable Hemp Products to Minors.

(a) Definitions. In this section and §35.6 of this chapter:

(1) "Consumable hemp product" has the meaning assigned by 25 TAC §300.101 or a successor rule adopted by the Department of State Health Services;

(2) "Licensee" and "permittee" have the meaning assigned by Alcoholic Beverage Code §1.04; and

(3) "Minor" means a person under 21 years of age.

(b) A licensee or permittee violates Alcoholic Beverage Code §§11.61(b)(7) or 61.71(a)(16), as applicable, if the licensee or permittee sells, offers to sell, serves, or delivers a consumable hemp product to a minor.

(c) Notwithstanding Chapter 34 of this title, the commission shall impose the following sanctions for a violation of subsection (b) of this section:

(1) suspend for no less than 30 days or cancel the license or permit for a first violation;

(2) suspend for no less than 60 days or cancel the license or permit for a second violation; and

(3) cancel the license or permit for any subsequent violation.

(d) The licensee or permittee does not have the option to pay a civil penalty in lieu of suspension or cancellation under subsection (c) of this section.

(e) If a license or permit was cancelled under subsection (c) of this section, the following persons are not eligible to apply for, and may not be issued, any TABC-issued original license or permit for a period of five years after cancellation:

(1) the license or permit holder;

(2) a person who held an interest in the license or permit;

(3) if the cancelled license or permit holder is a corporation or other legal entity, a person who held a 50 percent or more ownership interest, directly or indirectly, in the corporation or entity;

(4) a corporation or other legal entity, if a person holding a 50 percent or more ownership interest, directly or indirectly, in the corporation or entity is disqualified from obtaining a license or permit under this subsection; and

(5) a person who resides with a person who is disqualified from obtaining a license or permit under this subsection.

(f) A licensee or permittee that sells, offers to sell, serves, or delivers a consumable hemp product to a minor does not violate subsection (b) of this section if the minor falsely claims to be 21 years of age or older, the permittee or licensee otherwise complies with §35.6 of this chapter, and the permittee or licensee reasonably believes the minor is actually 21 years of age or older.

§35.6. Mandatory Age Verification for Consumable Hemp Product Sales.

(a) Except as provided in subsection (c) of this section, a licensee or permittee may not sell, serve, or deliver a consumable hemp product to a person unless the person presents an apparently valid, unexpired proof of identification issued by a governmental agency that contains a physical description and photograph consistent with the person's appearance and that purports to establish that the person is 21 years of age or older.

(b) Except as provided by subsection (c) of this section, before completing the sale, service, or delivery of a consumable hemp product to an ultimate consumer, a licensee or permittee shall verify that the purchaser or recipient is 21 years of age or older by carefully inspecting the provided proof of identification.

(c) It is a defense to an enforcement action under subsection (d) of this section that the ultimate consumer is 40 years of age or older.

(d) Notwithstanding Chapter 34 of this title, if a licensee or permittee fails to abide by the requirements of this section, the licensee or permittee violates Alcoholic Beverage Code §§11.61(b)(7) or 61.71(a)(16), as applicable, and the commission shall:

(1) suspend the license or permit for no less than seven days for a first violation;

(2) suspend the license or permit for no less than 14 days for a second violation;

(3) suspend the license or permit for no less than 30 days for a third violation; and

(4) cancel the license or permit for any subsequent violation.

(e) The licensee or permittee does not have the option to pay a civil penalty in lieu of suspension or cancellation under subsection (d) of this section.

(f) If a license or permit was cancelled under subsection (d) of this section, the following persons are not eligible to apply for, and may not be issued, any TABC-issued original license or permit for a period of one year after cancellation:

(1) the license or permit holder;

(2) a person who held an interest in the license or permit;

(3) if the cancelled license or permit holder is a corporation or other legal entity, a person who held a 50 percent or more ownership interest, directly or indirectly, in the corporation or entity;

(4) a corporation or other legal entity, if a person holding a 50 percent or more ownership interest, directly or indirectly, in the corporation or entity is disqualified from obtaining a license or permit under this subsection; and

(5) a person who resides with a person who is disqualified from obtaining a license or permit under this subsection.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600190
Matthew Cherry
Senior Counsel
Texas Alcoholic Beverage Commission
Effective date: January 21, 2026
Proposal publication date: December 5, 2025
For further information, please call: (512) 206-3491

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CHAPTER 41. AUDITING

The Texas Alcoholic Beverage Commission (TABC) adopts amendments to 16 TAC §41.37, relating to Destructions; §41.43, relating to Sale after Cancellation, Expiration, or Voluntary Suspense of License or Permit; §41.50, relating to General Provisions; §41.52, relating to Temporary Memberships; §41.53, relating to Pool Systems; and §41.65, relating to Contract Distilling Arrangements and Distillery Alternating Proprietorships. TABC also adopts new 16 TAC §41.57, relating to Purchase of Certain Alcoholic Beverages, to be codified in Chapter 41, Subchapter E. The amendments and new rule are adopted without changes to the proposed text as published in the December 5, 2025, issue of the *Texas Register* (50 TexReg 7821). The amendments and new rule will not be republished.

REASONED JUSTIFICATION. The amendments and new rule fix clerical errors and provide non-substantive changes clarifying current agency practices. The amendment to §41.37(a) removes a reference to a repealed statute. The amendment to §41.43(a) removes the "in bulk" requirement for inventory sales when a license or permit is cancelled, expires, or is voluntarily suspended. Removal of this requirement aligns with current agency practices and is intended to provide flexibility to businesses disposing of their alcoholic beverage inventory when ceasing operations.

The amendment to §41.50(b) corrects a previous clerical error. The amendment to §41.52(b)(1) more accurately states the temporary membership card requirements for private club registration permit holders in Alcoholic Beverage Code §32.09. The amendment to §41.53 repeals subsection (e), which has been moved to new §41.57. New §41.57 reflects the current requirement in §41.53(e), but the text has been revised for clarity without making any substantive changes to the current requirement in repealed §41.53(e). Lastly, the amendment to §41.65(e) clarifies that authorized wholesalers and carriers may pick up product directly from a contract distiller's facility.

SUMMARY OF COMMENTS. TABC did not receive any comments on the amendments and new rule.

SUBCHAPTER C. EXCISE TAXES

16 TAC §41.37

STATUTORY AUTHORITY. TABC adopts the amendments and new rule pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31, 14.10(e), 32.09, and 37.011(d). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Sections 14.10(e) and 37.011(d) direct the agency to "adopt rules regulating the shared use of [distillery] premises." Section 32.09 provides that "temporary memberships shall be governed by rules promulgated by the commission."

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Matthew Cherry
Senior Counsel
Texas Alcoholic Beverage Commission
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For further information, please call: (512) 206-3491

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SUBCHAPTER D. SALES OF ALCOHOLIC BEVERAGES NOT IN REGULAR COURSE OF BUSINESS

16 TAC §41.43

STATUTORY AUTHORITY. TABC adopts the amendment pursuant to TABC's rulemaking authority under Alcoholic Beverage Code §5.31, which authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Matthew Cherry
Senior Counsel
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For further information, please call: (512) 206-3491

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SUBCHAPTER E. PRIVATE CLUBS

16 TAC §§41.50, 41.52, 41.53, 41.57

STATUTORY AUTHORITY. TABC adopts the amendments and new rule pursuant to TABC's rulemaking authority under Alcoholic Beverage Code §§5.31 and 32.09. Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 32.09(d) provides that "temporary memberships shall be governed by rules promulgated by the commission."

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Matthew Cherry
Senior Counsel
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For further information, please call: (512) 206-3491

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SUBCHAPTER G. OPERATING AGREEMENTS BETWEEN PERMIT AND LICENSE HOLDERS

16 TAC §41.65

STATUTORY AUTHORITY. TABC adopts the amendments pursuant to TABC's rulemaking authority under Alcoholic Beverage Code §§14.10(e) and 37.011(d), which direct the agency to "adopt rules regulating the shared use of premises."

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Matthew Cherry
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CHAPTER 45. MARKETING PRACTICES SUBCHAPTER G. REGULATION OF CASH AND CREDIT TRANSACTIONS

16 TAC §45.130, §45.131

The Texas Alcoholic Beverage Commission (TABC) adopts amendments to 16 TAC §45.130, relating to Credit Law and Delinquent List; and §45.131, relating to Cash Law. The amendments are adopted without changes to the proposed text as published in the December 5, 2025, issue of the *Texas Register* (50 TexReg 7824). The amended rules will not be republished.

REASONED JUSTIFICATION. The amendments make non-substantive and clarifying revisions reflecting current agency practices that were identified as part of the agency's quadrennial rule review in accordance with Government Code §2001.039. The amendments also make fixes to previous clerical errors.

The amendment to §45.130(b) more accurately lists the applicable permit types subject to Alcoholic Beverage Code §102.32, which governs liquor sales and credit restrictions between wholesalers and retailers. The amendment to §45.130(c) adds identification stamps to the invoice requirement to better align with the recordkeeping requirements in Alcoholic Beverage Code §206.01. The amendments to §45.130(d) clarify that the payment dates are calculated using business days to more accurately track the statutory text in Alcoholic Beverage Code §102.32. The amendment to §45.130(h) codifies the long-standing practice that disputed delinquencies must be approved by the agency before a business is removed from the delinquent list. The amendment to §45.131(b) more accurately lists the applicable permit types subject to the requirements of Alcoholic Beverage Code §102.32. The amendment to §45.131(c) fixes clerical errors in the current rule text.

SUMMARY OF COMMENTS. TABC did not receive any comments on the proposed amendments.

STATUTORY AUTHORITY. TABC adopts these amendments pursuant to the agency's rulemaking authority under Texas Alcoholic Beverage Code §§5.31, 102.31(e), and 102.32(f). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Sections 102.31(e) and 102.32(f) direct the agency to adopt rules to effectuate the code's cash and credit law requirements.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Matthew Cherry
Senior Counsel
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For further information, please call: (512) 206-3491

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TITLE 19. EDUCATION

PART 1. TEXAS HIGHER EDUCATION COORDINATING BOARD

CHAPTER 1. AGENCY ADMINISTRATION SUBCHAPTER P. LOWER-DIVISION ACADEMIC COURSE GUIDE MANUAL ADVISORY COMMITTEE

19 TAC §1.197

Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 1, Subchapter P, §1.197, Tasks Assigned to the Committee, without changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7200). The rule will not be republished.

This amendment clarifies in rule that the committee provides recommendations to the commissioner regarding the addition, deletion, and revision of courses in the Lower-Division Academic Course Guide Manual.

Texas Government Code, Chapter 2110, §2110.0012, authorizes state agencies to establish committees to advise the agency.

Rule 1.197, Tasks Assigned to the Committee, clarifies that the committee provides recommendations to the Commissioner regarding changes to the Lower-Division Academic Course Guide Manual.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Government Code, Section 2110.0012, and Texas Education Code, Section 61.026, which provides the Coordinating Board with the authority to establish committees to advise the agency.

The adopted amendment affect Texas Education Code, Chapter 61, Subchapter S.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Effective date: February 11, 2026
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For further information, please call: (512) 427-6182

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SUBCHAPTER T. WORKFORCE EDUCATION COURSE MANUAL ADVISORY COMMITTEE

19 TAC §§1.220, 1.224, 1.226

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Texas Administrative Code, Title 19, Part 1, Chapter 1, Subchapter T, §§1.220, 1.224, and 1.226, Workforce Education Course Manual Advisory Committee, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6593). The rules will not be republished.

These amendments revise and clarify purpose, meeting requirements, and reporting requirements of the committee.

Amendments to this subchapter in 2024 clarified that the committee is required to advise the Coordinating Board and transmit Workforce Education Course Manual (WECM) courses to the Coordinating Board for consideration for approval. This change effectively removed all approval authority from the committee. Now advisory, the committee is no longer subject to the Open Meetings Act. The committee was created to provide advice to the Coordinating Board regarding content, structure, currency, and presentation of the WECM and its courses; coordinate field engagement in processes, maintenance, and use of the WECM; and assist in identifying new courses and courses that are obsolete.

The Coordinating Board is authorized to adopt rules relating to the Workforce Education Course Manual Advisory Committee under Texas Education Code, §130.001 and §61.026.

Rule 1.220(b), Authority and Specific Purposes of the Workforce Education Course Manual Advisory Committee, is amended to assign the WECM Advisory Committee responsibilities to coordinate field engagement and maintenance of the WECM, to identify new courses, and to identify obsolete courses. This amendment will remove the responsibility of the WECM Advisory Committee to identify new or obsolete programs of study, and to identify vertical and horizontal alignments of courses within programs. This amendment is proposed to align this rule with Texas Administrative Code, Chapter 1, Subchapter X, regarding the responsibility of the Program of Study Advisory Committee, to ensure that there is only one committee responsible for programs of study.

Rule 1.224, Meetings, is amended to remove the requirements to conduct meetings that are open to the public, broadcast meetings via the internet, and to post meeting minutes. This amendment aligns with the advisory nature of the committee's responsibilities.

Rule 1.226, Report to the Board; Evaluation of Committee Costs and Effectiveness, is amended to remove the requirement to evaluate costs and report to the Legislative Budget Board. The rule title is also amended to "Report to the Board." This amendment aligns with the advisory nature of the committee's responsibilities.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 130.001, which provides the Coordinating Board with the authority to adopt rules and regulations for public junior colleges; and Section 61.026, which grants the Coordinating Board authority to establish advisory committees.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 1, Subchapter T.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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For further information, please call: (512) 427-6209

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CHAPTER 2. ACADEMIC AND WORKFORCE EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §2.3, §2.5

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 2, Subchapter A, §2.3 and §2.5, General Provisions, without changes to the proposed text as published in the October 10, 2025, issue

of the *Texas Register* (50 TexReg 6594). The rules will not be republished.

This amendment defines competency-based baccalaureate degree, and clarify the criteria the Coordinating Board uses to determine whether a proposed degree program has adequate funding for implementation and sufficient labor market need.

House Bill 4848, 89th Texas Legislature, Regular Session, authorizes the Coordinating Board to adopt rules for the approval of competency-based baccalaureate degree programs in fields of study in high demand.

Senate Bill 37, 89th Texas Legislature, Regular Session, adds the consideration of nation labor market needs to the criteria for program approval.

State law requires the Coordinating Board to review new degree programs to ensure institutions have sufficient financing through legislative appropriations, funds allocated by the Coordinating Board, or other sources, and sufficient labor market need for the program. The adopted amendments related to financing identify acceptable revenue streams and clarify that grant funding and legislative appropriations must be in-hand and adequate to fund the program for the first five years of implementation. The adopted amendments related to labor market need clarify that national labor market needs shall be considered during the program approval process.

Rule 2.3, Definitions, is amended to define competency-based baccalaureate degree in alignment with the meaning in Texas Education Code, §56.521.

Rule 2.5, General Criteria for Program Approval, is amended to require institutions proposing a new degree program have grant funding and legislative appropriations available to support the program. The rule also specifies that the board may consider the location where the program is offered in determining the need for a new program. This criterion is implicit in the current rule providing that the board may coordinate to prevent the unnecessary duplication of programs, but this amendment makes explicit that the board may consider location, which is important for off-campus program approval.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 61.0512, which provides the Coordinating Board with the authority to review each new degree program proposed by an institution of higher education to ensure the program meets approval criteria, including adequate financing. Texas Education Code, Section 51.3535, authorizes the Coordinating Board to adopt rules regarding the approval of competency-based baccalaureates in fields of high demand.

The adopted amendments affect Texas Administrative Code, Chapter 2, Subchapter A.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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For further information, please call: (512) 427-6182

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SUBCHAPTER C. PRELIMINARY PLANNING PROCESS FOR NEW DEGREE PROGRAMS

19 TAC §2.41

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 2, Subchapter C, §2.41, Planning Notification: Notice of Intent to Plan, without changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7201). The rule will not be republished.

This amendment requires that institutions include the proposed location of the degree program in a planning notification for a new degree program.

The amendment is adopted under Texas Education Code, §61.0512(b), which requires institutions to notify the Board prior to beginning preliminary planning for a new degree program. Texas Education Code, §61.0512(g) states that institutions may offer off-campus credit courses only with prior approval from the Coordinating Board.

Section 2.41, Planning Notification: Notice of Intent to Plan, is amended to require that institutions include the proposed location of the degree program in a planning notification for a new degree program. This clarification provides additional information to inform review of off-campus educational sites and is incorporated as part of the rule review and revisions to off-campus approval in new Chapter 2P. Review of the location may inform the labor market information and potential for duplication of programs in a specific region.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 61.0512(b), which requires institutions to notify the Board prior to beginning preliminary planning for a new degree program and Texas Education Code, Section 61.0512(g), states that institutions may offer off-campus credit courses only with prior approval from the Coordinating Board.

The adopted amendment affects Texas Education Code, Sections 61.0512(b), and 61.0512(g).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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For further information, please call: (512) 427-6520

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SUBCHAPTER F. APPROVAL PROCESS FOR NEW BACCALAUREATE AND MASTER'S DEGREES AT PUBLIC UNIVERSITIES AND PUBLIC HEALTH-RELATED INSTITUTIONS

19 TAC §§2.118 - 2.121

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 2, Subchapter F, §§2.118 - 2.121, concerning Approval Process for New Baccalaureate and Master's Degrees at Public Universities and Public Health-Related Institutions, without changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7202). The rules will not be republished.

These rules are replaced with new rules in Subchapter F that include the addition of §2.118 which will establish approval criteria for competency-based baccalaureate degree programs required by House Bill (HB) 4848, 89th Texas Legislature, Regular Session.

The repeal is adopted under Texas Education Code, §51.3535, which requires the Coordinating Board to adopt new rules on implementation of HB 4848, 89th Texas Legislature, Regular Session.

Section 2.118, Post-Approval Program Reviews, outlines requirements for review of degree programs after initial approval by the Coordinating Board.

Section 2.119, Revisions to Approved Baccalaureate or Master's Degree Programs, outlines how an institution may request changes to an approved bachelor's or master's degree program.

Section 2.120, Phasing Out a Master's or Baccalaureate Degree Program, outlines steps to request closure or phase out of a bachelor's or master's degree program.

Section 2.121, Effective Dates of Rules, provides the effective date for this section of rule.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 51.3535, which provides the Coordinating Board with the authority to adopt rules on implementation of House Bill 4848, 89th Texas Legislature, Regular Session.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 2, Subchapter F.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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For further information, please call: (512) 427-6182

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19 TAC §§2.118 - 2.121

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 2, Subchapter F, §2.118 - 2.121, Approval Process for New Baccalaureate and Master's Degrees at Public Universities and Public Health-Related Institutions without changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7203). The rules will not be republished.

This new sections implement statutory obligations related to the approval of competency-based baccalaureate degree programs at public institutions of higher education.

The new sections are adopted under Texas Education Code, §51.3535, which provides the Coordinating Board with the authority to adopt rules on implementation of House Bill 4848, 89th Texas Legislature, Regular Session.

Section 2.118, Criteria for New Competency-Based Baccalaureate Degrees, establishes approval criteria for competency-based baccalaureate degree programs required by House Bill 4848, 89th Texas Legislature, Regular Session. The new legislation requires that one or more institutions of higher education in each system offer a competency-based baccalaureate degree program in a high demand field identified by the Coordinating Board. Programs in high demand fields, identified based on existing labor market demand data and feasibility for transition to competency-based education, include programs in Classification of Instructional Programs (CIP) 11 - Computer and Information Sciences and Support Services, CIP 51 - Health Professions and Related Programs, CIP 27- Mathematics and Statistics, CIP 30.70 - Data Analytics, or CIP 30.08 - Mathematics and Computer Science. Baccalaureate degrees in CIPs other than those referenced above may be approved by the Commissioner based on demonstrated high labor market demand for the program. Institutions requesting a new baccalaureate degree under this section shall submit a planning notification as required by Subchapter C of this chapter and are subject to approval criteria in Chapter 2, §2.117. The tuition limitation established in new Texas Education Code, §51.3535 (c) and (d), will be adopted in Chapter 13, Subchapter G.

Section 2.119, Post-Approval Program Reviews, outlines requirements for review of degree programs after initial approval by the Coordinating Board. No changes have been made to this section.

Section 2.120, Revisions to Approved Baccalaureate or Master's Degree Programs, outlines how institutions may request changes to an approved bachelor's or master's degree program. No changes have been made to this section.

Section 2.121, Phasing Out a Master's or Baccalaureate Degree Program, outlines steps to request closure or phase out of a bachelor's or master's degree program. No changes have been made to this section.

No comments were received regarding the adoption of the new rules.

The new sections are adopted under Texas Education Code, Section 51.3535, which provides the Coordinating Board with the authority to adopt rules on implementation of House Bill 4848, 89th Texas Legislature, Regular Session.

The adopted new sections affect Texas Administrative Code, Title 19, Part 1, Chapter 2, Subchapter F.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER P. APPROVAL PROCESS AND CRITERIA FOR OFF-CAMPUS EDUCATION AT PUBLIC UNIVERSITIES AND HEALTH-RELATED INSTITUTIONS

19 TAC §§2.380 - 2.388

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 2, Subchapter P, §§2.382, 2.383, 2.385, 2.386, and 2.388, Approval Process and Criteria for Off-Campus Education at Public Universities and Health-Related Institutions, with changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7204). The rules will be republished. Sections 2.380, 2.381, 2.384, and 2.387 are adopted without changes and will not be republished.

The new rules replace existing rules in Chapter 4, subchapter Q, relating to the delivery of off-campus courses, certificates, and programs, which will be repealed under separate rulemaking and an agency-issued policy document from 2014. The new rules are designed to streamline processes related to notification and approval of off-campus courses, certificates and programs.

Texas Education Code (TEC), §61.002, charges the Board with "the elimination of costly duplication in program offerings, faculties, and physical plants." TEC, §61.0512(a), requires board approval for a new certificate or degree program. TEC, §61.0512(g), states that institutions may offer off-campus credit courses only with prior approval from the Coordinating Board.

Section 2.380, Purpose and Applicability, establishes that the rules apply to public universities and health-related institutions. Rules relating to off-campus education for community, technical and state colleges will be addressed in future rulemaking.

Section 2.381, Authority, identifies the statutory authority for the Coordinating Board to establish rules related to off-campus education.

Section 2.382, Definitions, provides words and terms relevant to delivery of degree programs as off-campus educational sites.

Section 2.383, Standards and Criteria for Delivery of Courses and Programs at an Off-Campus Educational Site, establishes required criteria that institutions must comply with to offer off-campus education. These criteria align with state and federal standards and ensure that each student enrolled in an off-campus degree program has access to the same quality of education as on-campus students.

Section 2.384, Notification Required for Off-Campus Delivery of Courses, Certificates, and Less than Fifty Percent (50%) of a Degree Program, establishes procedures for institutions to notify the Coordinating Board offer off-campus education that does not meet the fifty percent (50%) of a degree program threshold. The section also identifies which site types are not required as part of the notification. This requirement is new but ensures statutory compliance with as minimal data collection as possible.

Section 2.385, Approval Required for Off-Campus Delivery of a New Degree Program, establishes approval procedures for institutions seeking approval for a new degree program that will be offered at an off-campus location. This section does not represent a departure from current practice for universities and health-related institutions.

Section 2.386, Approval Required for Off-Campus Delivery of an Existing Degree Program, establishes procedures for institutions seeking approval for an existing degree program to be offered at an off-campus location. This requirement is not new and removes the institutional requirement to submit a 50-mile notification prior to submission to the Coordinating Board. The Coordinating Board will send out a regional 30-day informal comment period for off-campus requests as it does with new degree programs.

Section 2.387, Modifications and Phase Out of Off-Campus Degree Programs, establishes procedures for making modifications to degree programs offered at an off-campus educational site. This section does not represent a departure from current practice for universities and health-related institutions.

Section 2.388, Effective Dates of Rules, specifies that the rules are effective beginning September 1, 2026.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Section 2.382 is amended to remove the definition of "Additional Location" and integrate those requirements into "Off-campus Educational Site".

Section 2.383 is amended based on comments from institutions with minor nonsubstantive edits for clarification of the intent of the rules and to reflect adjustments to the Definitions section.

Sections 2.385 and 2.386 are amended to replace language with a specific term defined in §2.382.

Section 2.388 is amended in clarify that off-campus sites approved prior to September 1, 2026, do not need additional or new approval.

The following comments were received regarding the adoption of the new rules.

Comment from Texas Tech University System: The system requested clarification of how the proposed new subchapter related to Chapter 5, Subchapter D, and noted that Texas Constitution, Article VII, Section 17(k), includes the terms "branch

campus or educational center" it is important to maintain definitions for those two terms for the institutions that participate in the Higher Education Fund (HEF).

Response: Branch campus and off-campus center are not terms included in the proposed rules and so do not need to be defined separately for this subchapter.

Comment from the University of North Texas System: The system expressed concern regarding a conflict with Chapter 5, Subchapter D, particularly around the definitions of branch campuses and off-campus educational sites/units/centers.

Response: The Coordinating Board rules in Chapter 5, Subchapter D, will be proposed for repeal at the April 2026 Board meeting in order to reduce confusion regarding definitions.

Comment from Texas Tech University System and University of North Texas System: The systems suggested including "or" in §2.383(2) to align requirements with §2.382(1), or to rewrite §2.383(2) to conform to the definition of "additional location" in proposed §2.382.

Response: The Coordinating Board agrees with the suggestions and appreciates the opportunity to clarify that the intent was not to require legislative approval for all additional locations. Section 2.383 has been modified to address this and other comments related to required approvals.

Comment from Texas Tech University System: The system recommended removing the word "regional" in §2.383(1) as an adjective for recognized accrediting organizations to align more directly with §4.192, Recognized Accrediting Organizations.

Response: The Coordinating Board agrees with suggested edit and has modified the proposed rules accordingly.

Comment from Texas Tech University System: Will all existing instructional sites be grandfathered as approved?

Response: Yes, all previously approved off-campus sites will continue to operate under the new rules (unless closed by the institution) and will not need additional or new approval.

Comment from Texas Tech University System: Sought clarification on whether the rules intended to restrict new sites to those approved by the legislature, and if so, does the requirement for legislative approval only apply when the site is being designated as an "additional location" for accreditation purposes?

Response: The Coordinating Board agrees with the suggestions and appreciates the opportunity to clarify that the intent was not to require legislative approval for all Off-Campus Educational Sites. Section 2.383 has been modified to address this and other comments related to required approvals.

Comment from Angelo State University: Section 2.384 specifically states that dual credit sites are exempt from the requirement of that section. However, §2.386 does not state that dual credit is exempt. Will universities have to submit for approval off-campus delivery of courses greater than 50% for dual credit sites? Since universities are prohibited from offering dual credit courses outside of the core curriculum, foreign language, or field of study curriculum, students cannot earn a degree while attending the off-site location. Are universities expected to submit and receive approval for dual credit sites where at least 50% of an existing degree program is offered if the student is unable to earn the full degree from that site?

Response: It is correct that dual credit sites are exempt from the general site notification requirement (§2.384) if less than 50% of a degree program is offered at that site. However, universities are required to request approval to offer 50% or more of a degree program at an off-campus site, regardless of whether the program is offered at a site where dual credit is offered. No course-level approval or notification is required.

The new sections are adopted under Texas Education Code (TEC), §61.002, which charges the Coordinating Board with "the elimination of costly duplication in program offerings, faculties, and physical plants"; TEC, §61.0512(a), which requires board approval for a new certificate or degree program; and TEC, §61.0512(g), which states that institutions may offer off-campus credit courses only with prior approval from the Coordinating Board.

The adopted new sections affect Texas Education Code, §61.002, §61.0512(a) and §61.0512(g).

§2.382. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Off-Campus Degree Program--A degree program in which fifty percent (50%) or more of required instruction or coursework is in-person at an off-campus educational site.

(2) Off-Campus Educational Site--An additional location, which may include a branch campus or a center, approved by the institution's Board-recognized accreditor in accordance with 34 C.F.R. §600.32 that is away from the main campus where an institution delivers the required instruction for a credit course, certificate, or degree program in person.

§2.383. Standards and Criteria for Delivery of Courses and Programs at an Off-Campus Educational Site.

Each institution of higher education providing off-campus education shall:

(1) Comply with the standards, criteria, and approval requirements of one of the Board-recognized accrediting organizations as defined in §4.192 of this title (relating to Recognized Accrediting Organizations);

(2) Operate an off-campus educational site only as authorized by the legislature or in accordance with the institution's accreditation standards;

(3) Ensure each off-campus educational site is of sufficient quality for the programs and courses offered;

(4) Provide each student with equivalent academic support services as a student enrolled in an on-campus course or program;

(5) Ensure students in off-campus courses and programs satisfy equivalent institutional enrollment requirements as on-campus students; and

(6) Select and evaluate faculty teaching at an off-campus educational site by equivalent standards, review, and approval procedures used by the institution to select and evaluate faculty responsible for on-campus courses and programs.

§2.385. Approval Required for Off-Campus Delivery of a New Degree Program.

(a) An institution of higher education shall obtain Coordinating Board approval prior to delivery of a new degree program designated as an Off-Campus Degree Program. A request for a new Off-Campus Degree Program is subject to the designated approval required for the degree level as set out in subchapters D, E, F, and G of this

chapter (relating to Approval Process for New Academic Associate Degrees, Approval Process for New Baccalaureate Programs at Public Junior Colleges, Approval Process for New Baccalaureate and Master's Degrees at Public Universities and Public Health-Related Institutions, and Approval Process for New Doctoral and Professional Degree Programs respectfully).

(b) For a new degree program designated as an Off-Campus Degree Program, the institution shall provide the name and address of the off-campus educational site where the proposed program would be delivered in its request for a new degree program submitted to the Coordinating Board for approval.

(c) The Coordinating Board will review the request for an Off-Campus Degree Program in accordance with §2.7 of this chapter (relating to Informal Notice and Comment on Proposed Local Programs), and applicable rules for approval of the proposed program to be offered at an off-campus educational site.

§2.386. Approval Required for Off-Campus Delivery of an Existing Degree Program.

(a) An institution of higher education shall request to offer an existing degree program as an Off-Campus Degree Program under the procedures and approvals pursuant to §2.9 of this chapter (relating to Revisions and Modifications to an Approved Program).

(b) The Coordinating Board will provide an opportunity for informal comment on the proposed off-campus delivery of the program in accordance with §2.7 of this chapter (relating to Informal Notice and Comment on Proposed Local Programs).

§2.388. Effective Date of Rules.

The effective date of this subchapter is September 1, 2026. These rules apply to approvals on or after September 1, 2026.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
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SUBCHAPTER Q. REQUIREMENTS FOR STUDY ABROAD FOREIGN LANGUAGE CREDIT

19 TAC §§2.410 - 2.413

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 2, Subchapter Q, §§2.411 - 2.413, Requirements for Study Abroad Foreign Language Credit, with changes to the proposed Texas as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6597). The rules will be republished. Section 2.410, is adopted without changes and will not be republished.

These new sections establish guidelines for how enrolled students may earn foreign language credit during a study abroad experience as required by Senate Bill 2431, 89th Texas Legislature, Regular Session.

The new rules are adopted under Texas Education Code, §51.313, which requires the Coordinating Board to adopt rules related to the awarding of foreign language credit for students enrolled in baccalaureate degree programs that include a study abroad component or program.

Section 2.410, Authority, outlines the statutory authority for the Coordinating Board to adopt rules.

Section 2.411, Applicability, outlines degree programs to which the rules apply.

Section 2.412, Student Option to Earn Foreign Language Credit, outlines requirements for institutions to offer foreign language credit to students enrolled in certain study abroad programs.

Section 2.413, Institutional Responsibilities, outlines the institutional responsibilities for implementation of the rules.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Section 2.411 is amended to clarify that the foreign language credit option only applies to a fifteen-week or longer study abroad program and that it does not apply where the study abroad program is in multiple locations with different primary languages or when the higher education institution does not offer the foreign language.

Section 2.412(b)(3) is amended to clarify that language proficiency via an exam is not a required prerequisite for a study abroad program.

Section 2.413 is amended to remove the language that "[e]ach institution shall ensure appropriate academic oversight of the foreign language credit option and maintain documentation of student performance and credit awarded" as institution's already have such responsibilities.

The following comments were received regarding the adoption of the new rule.

Comment: The University of Texas at Austin Submitted a comment requesting that the rule apply to programs offered during regular academic terms and that short-term programs be exempt from the rule.

Response: The Coordinating Board agrees with the request and has updated the Applicability section accordingly.

Comment: The University of Texas at Austin submitted a comment requesting clarification regarding the ability to deliver language coursework asynchronously.

Response: Subsection §2.412(b)(1) of the rules allows the delivery of foreign language courses offered via distance education, which encompasses asynchronous delivery.

Comment: The University of Texas at Austin submitted a comment raising concerns about increasing the cost and contact hours for students in order to deliver foreign language credit opportunities, and that if a study abroad program is discontinued because the awarding of foreign language credit is not feasible through the program, students will have fewer opportunities for study abroad.

Response: The Coordinating Board acknowledges that requirements of the statute may impact on the availability of study abroad programs for students. The statute does not require

a specific structure for the awarding of the foreign language credit, and so institutions have flexibility to provide the credit in ways that have the least impact on cost and contact hours to students (for example as an elective course taken as part of a bachelor's degree or through credit by exam).

Comment: The University of Texas at Austin submitted a comment requesting that "recognized language proficiency examination" and "language competence" be defined in the rule.

Response: Each institution has the authority to define these terms based on its own commonly used language proficiency examinations and assessments of language proficiency.

Comment: The University of Texas at Austin submitted a comment raising concerns that a student would be required to demonstrate language proficiency via exam prior to beginning a study abroad program.

Response: The intent of that subsection was to provide it as an option, not a requirement, and the Coordinating Board had amended the language to reflect that flexibility.

Comment: The University of Texas System submitted a comment requesting clarification on whether the rules apply to any study abroad program completed as part of a bachelor's degree, or only study abroad programs completed as a bachelor's degree requirement.

Response: The statute does not limit the requirement to study abroad programs completed as a degree requirement and therefore applies to all study abroad program completed while enrolled in a bachelor's degree program.

The new sections are adopted under Texas Education Code, Section 51.313, which provides the Coordinating Board with authority to adopt rules related to the awarding of foreign language credit for students completing a study abroad component or program while enrolled in a baccalaureate degree program.

The adopted new sections affect Texas Education Code, Section 51.313.

§2.411. Applicability.

(a) These rules apply to:

(1) A fifteen-week semester or longer study abroad program, offered in a location where a language other than English is the primary language of communication, completed while a student is enrolled in a baccalaureate degree program at an institution of higher education, as defined by Texas Education Code, §61.003; and

(2) A study abroad program offered as part of regular academic terms at the institution.

(b) The rules do not apply to:

(1) A study abroad program or component in a location where English is the primary language;

(2) A study abroad program in multiple locations with more than one primary language;

(3) A study abroad program in a location where the primary language is not offered at the student's institution of higher education; or

(4) Any non-credit-bearing travel or internship program not associated with a degree program.

§2.412. Student Option to Earn Foreign Language Credit.

(a) Each applicable study abroad component or program shall include an option for a student to earn foreign language credit.

(b) An institution may offer this option through one or more of the following methods:

(1) Enrollment in a credit-bearing foreign language course delivered to the student in-person or through distance education, as defined in §2.202(2) of this chapter (relating to Definitions), during the component or program with associated assignments and assessments);

(2) Completion of a faculty-supervised language immersion experience with an associated assessment;

(3) Achievement of a satisfactory score on a recognized language proficiency examination; or

(4) Other institution-approved demonstration of language competence.

§2.413. Institutional Responsibilities.

Each institution of higher education shall identify and publish the programs to which these rules apply and clearly communicate the foreign language credit option to students participating in an applicable study abroad component or program.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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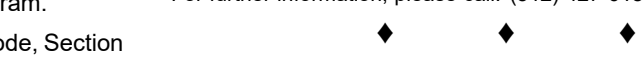

CHAPTER 3. RULES APPLYING TO ALL PUBLIC AND PRIVATE OR INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION IN TEXAS REGARDING ELECTRONIC REPORTING OPTION FOR CERTAIN OFFENSES; AMNESTY

SUBCHAPTER B. VACCINATION AGAINST BACTERIAL MENINGITIS FOR ENTERING STUDENTS

19 TAC §§3.40 - 3.43

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in, Title 19, Part 1, Chapter 3, Subchapter B, §§3.40 - 3.43, Vaccination Against Bacterial Meningitis for Entering Students, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6598). The rules will not be republished.

This new sections reconstitute current Chapter 21, Subchapter T, with no substantive changes. Chapter 3 is retitled to reflect its expanded purpose.

The Coordinating Board is authorized by Texas Education Code, §51.9192, to adopt rules relating to the bacterial meningitis vaccination requirement.

Chapter 3 title is amended to revise the name to more accurately reflect the rules in this section of administrative code.

Rule 3.40, Authority and Purpose, states the statutory authority for the subchapter and the purpose of the rules. It is the reconstituted §21.610 and §21.611, combined to conform to common formatting of Coordinating Board rules but without substantive changes.

Rule 3.41, Definitions, provides definitions for terms and phrases used throughout the subchapter. It is the reconstituted §21.612, with no substantive changes.

Rule 3.42, Immunization Requirement, specifies the requirement, subject to exceptions, that students entering public and private institutions of higher education show evidence of receipt of a bacterial meningitis vaccination dose or booster. It is the reconstituted §21.613.

Rule 3.43, Exceptions, lists the allowable exceptions to the requirement in §3.42. It is the reconstituted §21.614.

No comments were received regarding the adoption of new rules.

The new sections are adopted under Texas Education Code, Section 51.9192, which provides the Coordinating Board with the authority to adopt rules relating to the bacterial meningitis vaccination requirement.

The adopted new sections affects Texas Administrative Code, Title 19, Part 1, Chapter 3.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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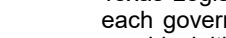

CHAPTER 4. RULES APPLYING TO ALL PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN TEXAS

SUBCHAPTER B. TRANSFER OF CREDIT, CORE CURRICULUM AND FIELD OF STUDY CURRICULA

19 TAC §§4.22, 4.25, 4.28 - 4.31

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to, Title 19, Part 1, Chapter 4, Subchapter B, §§4.22, 4.25, 4.28 - 4.31, concerning Transfer of Credit, Core Curriculum and Field of Study Curricula, without changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7206). The rules will not be republished.

This amendment implements statutory obligations related to the approval of the Texas Core Curriculum.

The amendments are adopted under Texas Education Code, §51.315, which provides the Coordinating Board with the authority to adopt rules on implementation of Senate Bill 37, 89th Texas Legislature, Regular Session.

Section 4.22, Authority, provides the Board with authority to adopt rules related to the Core Curriculum, Field of Study Curricula, and a transfer dispute resolution process. Amendments include adding reference to Texas Education Code, §51.315, §61.052, and §61.832 and removing §61.059, §61.0512, and §61.0593.

Section 4.25, Requirements and Limitations, outlines how institutions transfer lower-division course credit and directs institutions to provide appropriate services to transfer students. Amendments add a requirement that each institution of higher education include on the institution's website the minimum requirements to be accepted as a transfer student to the institution. This amendment will implement Texas Education Code, §61.07771(b)(2), as enacted by Senate Bill 3039, 89th Texas Legislature, Regular Session.

Section 4.28, Core Curriculum, adds new subsection (4) setting out the requirements of the Board recommended core curriculum and requiring each institution's governing board to ensure compliance with Texas Education Code, §51.315, as enacted by Senate Bill 37, 89th Texas Legislature, Regular Session. This section also details the specific requirements of the core curriculum including a statement of purpose, the core objectives, and foundational component areas. The proposed amendment repeals the section referring to the fall 2014 implementation of the Texas Core Curriculum.

Section 4.29, Core Curricula Larger than 42 Semester Credit Hours, title is amended to Core Curricula Other than 42 Semester Credit Hours to align with Texas Education Code, §61.822.

Section 4.30, Institutional Assessment and Reporting, title is amended to Core Curriculum Review. This section outlines the responsibilities of institutional governing boards to complete the review of general education courses as required by Texas Education Code, §51.315, enacted by Senate Bill 37, 89th Texas Legislature, Regular Session. The section requires that each governing board complete the initial review in 2026 and provide initial certification to the Coordinating Board no later than January 1, 2027.

Section 4.31, Implementation and Revision of Core Curricula, title is amended to Revision of Core Curricula. This section requires each institution to annually submit revisions of its general education curriculum to its governing board as required by new Texas Education Code, §51.315(d).

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 51.315, which provides the Coordinating Board with the authority to adopt rules on implementation of Senate Bill 37, 89th Texas Legislature, Regular Session.

The adopted amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter B; Texas Education Code, Chapter 61, Subchapter S; and Texas Education Code §61.052, and §61.0522.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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19 TAC §4.40

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 4, Subchapter B, §4.40, Transfer Liaison Requirements and Duties, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6600). The rule will not be republished.

The new section outlines expectations and requirements for individuals designated as a Transfer Liaison at an institution of higher education as required by Senate Bill 3039, 89th Texas Legislature, Regular Session.

The new rules are adopted under Texas Education Code, §61.8231, which requires the Coordinating Board to adopt rules related to the designation of a transfer liaison.

No comments were received regarding the adoption of the new rule.

The new section is adopted under Texas Education Code, Section 61.8231, which provides the Coordinating Board with authority to adopt rules related to the designation of a Transfer Liaison.

The adopted new section affects Texas Education Code, Chapter 61, Subchapter S, and Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter B.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER J. ACCREDITATION

19 TAC §4.193

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 4, Subchapter J, §4.193, Accreditation Status Notification Requirements, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6602). The rule will not be republished.

This new section requires an institution to notify the Coordinating Board of changes in its accreditation status.

Texas Education Code, §61.051 and §61.003(13), provides the Coordinating Board with authority to coordinate higher education and designate recognized accreditation organizations. Texas Administrative Code, §2.5(a)(10), requires the Coordinating Board to consider past compliance history in the evaluation of new degree program proposals. This new section requires an institution to notify the Coordinating Board of changes in its accreditation status.

No comments were received regarding the adoption of the new rule.

The new section is adopted under Texas Education Code, Sections 61.051 and 61.003(13), which provides the Coordinating Board with authority to coordinate higher education and designate recognized accreditation organizations.

The adopted new section affects Texas Education Code, Sections 61.051 and 61.003(13).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER AA. TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM

19 TAC §§4.400 - 4.405

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 4, Subchapter AA, §§4.400 - 4.405, Texas First Early High School Completion Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6602). The rules will not be republished.

This new section reconstitutes the current Chapter 21, Subchapter D, with no substantive changes except to exclude provisions in §4.404 (relating to Notice to Students) that refer to required actions in the 2022 - 2023 school year.

The Coordinating Board is authorized by Texas Education Code (TEC), §28.0253, to adopt rules relating to the Texas First Early High School Completion Program.

Rule 4.400, Authority and Purpose, confirms the authority and purpose of the Program, as provided in TEC, §28.0253(b)(c).

Rule 4.401, Definitions, provides definitions for the Program, as included in TEC, §28.0253(a).

Rule 4.402, Eligibility for Texas First Diploma, provides the minimum criteria by which students demonstrate eligibility for the Program, including high school credits, minimum Grade Point Average, and achieving an overall minimum score on one of five assessments or achieving a Grade Point Average that ranks the student in the top ten percent of the student's class. Institutions and the Commissioner of Higher Education jointly developed and recommended these cut points as those that distinguish students who are college ready and prepared for post-secondary success. Allowing a student to meet the requirement based on class rank or assessment scores provides for a more holistic view of readiness.

Rule 4.402 also provides the assessments and related standards and competencies that demonstrate a student's mastery of each subject area for which the Coordinating Board and Commissioner of Higher Education have adopted college readiness standards, plus a language other than English, as required in TEC, §28.0253(c). It provides a process by which a student verifies eligibility for the Program and codification on the student's transcript. These standards align to scores established by the Coordinating Board to define college readiness and provide for the use of assessments and scores commonly used by institutions to place students in college-level course work.

Rule 4.403, Diploma Equivalency, verifies that the diploma awarded through this program is equivalent to the distinguished level of achievement, as required in TEC, §28.0253(f).

Rule 4.404, Notice to Students, provides a notification requirement by the high school to its students and their parents or guardians listing the eligibility requirements for the Program, including the requirement for the student to provide official copies of applicable assessments to receive credit, as required in TEC, §28.0253(g). Provisions related specifically to the 2022 - 2023 school year have been removed.

Rule 4.405, Satisfaction of Other Requirements, confirms that students who meet all the Program requirements according to §21.52 (relating to Eligibility for Texas First Diploma) have met the requirements of the Texas Success Initiative according to TEC, Chapter 51, and the initial eligibility requirements of the Toward EXcellence, Access, and Success (TEXAS) Grant program, as authorized under TEC, §56.3041.

No comments were received regarding the adoption of the new rules.

The new sections are adopted under Texas Education Code, Section 28.0253, which provides the Coordinating Board with the authority to adopt rules relating to the Texas First Early High School Completion Program.

The adopted new sections affect Texas Administrative Code, Title 19, Part 1, Chapter 4.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 6. HEALTH EDUCATION, TRAINING, AND RESEARCH FUNDS

SUBCHAPTER C. TOBACCO LAWSUIT SETTLEMENT FUNDS

19 TAC §6.73

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 6, Subchapter C, §6.73, concerning the Nursing, Allied Health and Other Health-Related Education Grant Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6604). The rules will not be republished.

This repeal improves organization and consistency for Coordinating Board grant program rules overall, and improve rules for the application, review, and awarding of funds for the Nursing, Allied Health and Other Health-Related Education Grant Program. New rules for this grant program were adopted by the Coordinating Board in October 2024 and are found in Texas Administrative Code, Title 19, Part 1, Chapter 10, Subchapter K, §§10.230 - 10.238.

The repeal is adopted under Texas Education Code, §63.201 - 63.203, which provides the Coordinating Board with the authority to administer the Nursing, Allied Health and Other Health-Related Education Grant Program.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, §63.201 - 63.203, which provides the Coordinating Board with the authority to administer the Nursing, Allied Health and Other Health-Related Education Grant Program.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 6, Subchapter C.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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CHAPTER 13. FINANCIAL PLANNING
SUBCHAPTER G. TUITION AND FEES

19 TAC §13.129

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in, Title 19, Part 1, Chapter 13, Subchapter G, §13.129, Refund of Tuition and Mandatory Fees at Public Junior Colleges, State Colleges, and Technical Institute, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6605). The rules will not be republished.

This new section provides for the minimum schedule of tuition refunds to be made by public junior colleges, state colleges, and technical institutions to students depending on the length of the academic term and the class day on which the student withdraws from the course.

The Coordinating Board is authorized by Texas Education Code, §130.009, to adopt rules relating to the uniform dates for adding or dropping a course.

Rule 13.129, Refund of Tuition and Fees at Public Junior Colleges, State Colleges, and Technical Institute, is created. It is the reconstituted §21.5, with several notable changes.

Subsection (a) provides the statutory authority for the section. Subsection (b) relates to the tuition and mandatory fee refund schedule used by junior colleges, state colleges, and technical institutions when students drop courses or withdraw. It is the reconstituted §21.5(a), with notable changes. First, the refund schedule is presented entirely in the Figure, to simplify the rule. Second, Subsection (b)(1) specifies that the rule definition for "class day" in §13.1, applies in the implementation of the subsection. Finally, the authorization of a matriculation fee is not included, as it is topically outside the scope of the rule.

Subsection (c) provides for the managing of refunds or additional charges when a student adds or drops courses before the census date. It is the reconstituted §21.5(c).

Subsection (d) provides for refunds in the situation in which tuition and mandatory fees were paid by a sponsor, donor, or scholarship through the institution. It is the reconstituted §21.5(e).

Subsection (e) provides for circumstances in which a student withdraws due to active duty military service. It is the reconstituted §21.5(g).

No comments were received regarding the adoption of new rule.

The new section is adopted under Texas Education Code, Section 130.009, which provides the Coordinating Board with the authority to adopt rules relating to the uniform dates for adding or dropping a course.

The adopted new section affects Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter G.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER V. COMMUNITY COLLEGE FINANCE PROGRAM: BASE AND PERFORMANCE TIER METHODOLOGY FOR FISCAL YEAR 2026

19 TAC §13.646, §13.649

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 13, Subchapter V, §13.646 and §13.649, Community College Finance Program: Base and Performance Tier Methodology for Fiscal Year 2026, without changes to the proposed text as published in the November 7, 2025, issue of the *Texas Register* (50 TexReg 7211). The rules will not be republished.

This amendment corrects an ambiguity and an error, respectively, in the rule text to more accurately convey the policies adopted by the Legislature and the Board.

The amendment is adopted under Texas Education Code, Section 130A.005, which provides the Coordinating Board with the authority to adopt rules and take other actions consistent with Texas Education Code, Chapter 61, Chapter 130, and Chapter 130A to implement House Bill 8, 88th Texas Legislature, Regular Session. In addition, Texas Education Code, Section 130.355, permits the Coordinating Board to establish rules for funding workforce continuing education.

Section 13.646, Performance Tier: Fundable Outcomes, is amended to clarify only certain fundable outcomes - fundable credentials, transfer fundable outcomes, and structured co-enrollment fundable outcomes - are eligible for additional funding weights based on characteristics of the student achieving the outcome. The other amendment corrects a mischaracterizations of the Opportunity High School Diploma Outcome as a credential, as this mischaracterization may suggest that it is subject to the standards of a credential of value in order to be fundable.

Section 13.649, Performance Tier: Rates, is amended to correct the erroneous omission of a needed informational graphic that should have accompanied the printed rule and will also correct an erroneous rule reference.

The following comment was received regarding the adoption of the amendments.

Comment: San Jacinto College asked to please clarify an available fundable option for institutions to provide post-associate degree credential aligned with documented workforce needs.

Specifically, San Jacinto College currently offers Enhanced Skill Certificates for (1) Advanced Programmable Logic Controllers 11 SCH (Instrumentation), (2) Advanced Analyzers 6 SCH (Instrumentation) and (3) Mammography 6 SCH (Medical Radiography). Program advisory committees continue to indicate the enhanced training needs; how may the College continue to be funded for completions of the enhanced skill certificates?

Response: The THECB thanks San Jacinto College for their question. Currently, the Enhanced Skill Certificate (ESC) is not a stand-alone outcome eligible for funding. According to Title 19 Texas Administrative Code, §2.262(b)(3), an ESC is associated with an applied associate degree program and is awarded concurrently with a degree, but may not be considered to be an intrinsic part of the degree or used to circumvent the 60-semester-credit-hour associate degree limitation. Colleges can continue to offer ESCs as a part of an associate degree program, which is a fundable outcome in the finance model.

The amendment is adopted under Texas Education Code, Section 130A.005, which provides the Coordinating Board with the authority to adopt rules and take other actions consistent with Texas Education Code, Chapter 61, Chapter 130, and Chapter 130A to implement House Bill 8, 88th Texas Legislature, Regular Session. In addition, Texas Education Code, Section 130.355, permits the Coordinating Board to establish rules for funding workforce continuing education.

The adopted amendment affects Texas Education Code, Sections Chapter 130A, and Sections 61.059 and 130.0031.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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For further information, please call: (512) 427-6375

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CHAPTER 21. STUDENT SERVICES

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §21.5

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 21, Subchapter A, §21.5, Refund of Tuition and Fees at Public Community/Junior and Technical Colleges, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6606). The rule will not be republished.

This repeal allows for the rule to be relocated to Chapter 13, Subchapter G, relating to Tuition and Fees.

The Coordinating Board is authorized by Texas Education Code, §130.009, to adopt rules relating to uniform dates for adding or dropping courses.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 130.009, which provides the Coordinating Board with the authority to adopt rules relating to uniform dates for adding or dropping courses

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter A.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER B. DETERMINATION OF RESIDENT STATUS

19 TAC §§21.21 - 21.30

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 21, Subchapter B, §§21.21 - 21.30, Determination of Resident Status, without changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7500). The rules will not be republished.

The rules being repealed are superseded by the rules in Chapter 13, Subchapter K, which were adopted in October 2025 and became effective November 2025. Under the newly adopted §13.193, the changes implemented with the adoption of Subchapter K, are effective as to resident tuition determinations made after the census date of the regular Fall 2025 semester, with determinations made before this date governed by the applicable state or federal law (including as modified by court order) at the time of the determination.

The Coordinating Board is authorized by Texas Education Code, §54.075, to adopt rules necessary to carry out the purposes of Texas Education Code, Chapter 54, Subchapter B.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 54.075, which provides the Coordinating Board with the authority to adopt rules necessary to carry out the purposes of Texas Education Code, Chapter 54, Subchapter B.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter B.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER D. TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM

19 TAC §§21.50 - 21.55

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 21, Subchapter D, §§21.50 - 21.55, Texas First Early High School Completion Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6607). The rules will not be republished.

This repeal allows for the relocation of these rules to Chapter 4, Subchapter AA.

The Coordinating Board is authorized by Texas Education Code, §28.0253, to adopt rules relating to the Texas First Early High School Completion Program.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 28.0253, which provides the Coordinating Board with the authority to adopt rules relating to the Texas First Early High School Completion Program.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter D.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER H. INDIVIDUAL DEVELOPMENT ACCOUNT INFORMATION PROGRAM

19 TAC §§21.191 - 21.193

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 21, Subchapter H, §§21.191 - 21.193, Individual Development Account Information Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6608). The rules will not be republished.

This repeal eliminates these rules, which were determined to be unnecessary after the Coordinating Board initiated its four-year rule review of the subchapter.

The Coordinating Board is authorized by Texas Education Code, §61.0817, to adopt rules relating to the Individual Development Account Information Program.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 61.0817, which provides the Coordinating Board with the authority to adopt rules relating to the Individual Development Account Information Program.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter H.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER T. THE VACCINATION AGAINST BACTERIAL MENINGITIS FOR ENTERING STUDENTS AT PUBLIC AND PRIVATE OR INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION

19 TAC §§21.610 - 21.614

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 21, Subchapter T, §§21.610 - 21.614, The Vaccination Against Bacterial Meningitis for Entering Students at Public and Private or Independent Institutions of Higher Education, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6609). The rules will not be republished.

This repeal allows for the relocation of the rule to Chapter 3, Subchapter B.

The Coordinating Board is authorized by Texas Education Code, §51.9192, to adopt rules relating to the vaccination requirement against bacterial meningitis for certain students.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 51.9192, which provides the Coordinating Board with the authority to adopt rules relating to the vaccination requirement against bacterial meningitis for certain students.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter T.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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CHAPTER 22. STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §§22.1, 22.2, 22.7

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 22, Subchapter A, §§22.1, 22.2 and 22.7, General Provisions, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6609). The rules will not be republished.

This amendment updates rule definitions and provisions to align with changes in federal law and other Coordinating Board rules.

The Coordinating Board is authorized by Texas Education Code, §56.0035, to adopt rules necessary to carry out the purposes of that chapter.

Rule 22.1, Definitions, is amended to add a definition for "Federal Pell Grant Student Aid Index Cap or Federal Pell Grant Eligibility Cap" and update a citation in the definition of "Resident of Texas." The term "Federal Pell Grant Student Aid Index Cap or Federal Pell Grant Eligibility Cap," which appears in multiple locations throughout Chapter 22, is defined as the maximum Pell Grant award in a given fiscal year, codifying current practice. This definition does not reflect a change in Coordinating Board administration of financial aid programs. The definition of "Resident of Texas" is updated by changing the rule citation, reflecting recent rule changes adopted by the Coordinating Board.

Rule 22.2, Timely Distribution of Funds, is amended to clarify that the rule also applies to funds disbursed through financial aid programs located in Chapter 24 (relating to Student Loan Programs), reflecting recent rule changes adopted by the Coordinating Board, and to amend the timely disbursement provision in subsection (a)(1) to refer to calendar days, rather than business days. This change aligns the timely disbursement timeline with other timely disbursement provisions in the section.

Rule 22.7, Financial Aid Uses, is amended to clarify that the rule also applies to funds disbursed through financial aid programs located in Chapter 24 (relating to Student Loan Programs), reflecting recent rule changes adopted by the Coordinating Board.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 56.0035, which provides the Coordinating Board with the authority to adopt rules to adopt rules necessary to carry out the purposes of that chapter.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter A.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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SUBCHAPTER M. TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

19 TAC §§22.255, 22.260, 22.261, 22.264

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 22, Subchapter M, §§22.255, 22.260, 22.261, and 22.264, Texas Educational Opportunity Grant Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6612). The rules will not be republished.

This amendment modifies rules relating to eligible institutions, grant priorities, grant amounts, and allocation of funds to ensure alignment with statutory changes made by House Bill (HB) 3204, 89th Texas Legislature, Regular Session, which became effective September 1, 2025, as well as Riders 25 and 26 in the Coordinating Board's bill pattern of the General Appropriations Act, Senate Bill (SB) 1, 89th Texas Legislature, Regular Session.

The Coordinating Board is authorized by Texas Education Code, §56.403, to adopt rules relating to the Program.

Rule 22.255, Eligible Institutions, is amended to include the Polytechnic College at Sam Houston State University as an eligible institution for the Program, as directed by the provisions of HB 3204, 89th Texas Legislature, Regular Session.

Rule 22.260, Priorities in Grants to Students, is amended to accomplish the directives of Riders 25 and 26 of the General Appropriations Act, which direct the Coordinating Board to "coordinate with eligible institutions to distribute funds…to those institutions in a manner that ensures that each eligible student who graduates in the top 25 percent of the student's high school graduating class receives an initial grant for the 2026-2027 academic year." After consulting with eligible institutions, the Coordinating Board determined that appropriated funding for the Program is suffi-

cient to accomplish the intent of the riders without modifying the allocation methodology. Accordingly, Subsection (b) is added to the rule to include a student graduating in the top 25 percent of his/her graduating class as an awarding priority. The specific phrasing of the subsection aligns with the provisions of Texas Education Code, §51.803, Automatic Admission: All Institutions. Subsection (e) is added to specify that institutions shall ensure eligible students meeting the top 25 percent standard and who have a Student Aid Index below 60 percent of the statewide average of tuition and fees at general academic teaching institutions receive an initial grant, thus clarifying how institutions may consider the various awarding priorities and maintain compliance with Riders 25 and 26.

Rule 22.261, Grant Amounts, is amended to specify how the Polytechnic College at Sam Houston State University is to be considered for programmatic purposes. As a college within a general academic teaching institution, which are not generally eligible to participate in the Program, the Polytechnic College does not meet any of the definitions for public junior college, public state college, or public technical institution upon which the rule relies. In reviewing its programmatic offerings, tuition rates, and other factors, the Coordinating Board determined that the Polytechnic College most closely resembles public technical institutions. Subsection (a)(2) is amended to reflect this determination for the purposes of setting the maximum grant for students of the institution. Subsection (d) is updated with a more specific reference to rules in the chapter's General Provisions.

Rule 22.264, Allocation of Funds - Public Technical and State Colleges, is amended to include references to the Polytechnic College at Sam Houston State University, which will again be treated as a public technical institution for this purpose.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 56.403, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The adopted amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter M.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
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SUBCHAPTER O. TEXAS LEADERSHIP RESEARCH SCHOLARS PROGRAM

19 TAC §22.302, §22.310

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 22, Subchapter O, §22.302 and §22.310, Texas Leadership Research Scholars Program without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6614). The rules will not be republished.

This amendment clarifies that scholarships are limited to four years per student and per program, guarantees at least one research scholarship per eligible institution if funding is sufficient, and prohibits any rules that may restrict or give preference to any general academic institution. The amendment also addresses changes in deadlines for intent to participate.

The Coordinating Board is authorized to adopt rules as necessary by Texas Education Code, §61.897. The revisions implement statutory amendments passed by the 89th Legislature. Specifically, this amendment updates the Coordinating Board rules to accurately reflect changes made by Senate Bill (SB) 2055, 89th Texas Legislature, Regular Session. SB 2055, amended Texas Education Code, §61.897, to specify that a student is ineligible to receive funding from either the Undergraduate or the Graduate scholarship program for more than four academic years per program, that eligible institutions receive at least one research scholarship award, and that no administrative rules may be adopted that impose limits on, or grant preference to, any general academic institution.

Rule 22.302, Eligible Institutions, provides the responsibilities and deadlines for participating eligible institutions to follow. Specifically, the adopted section removes a provision that is no longer relevant since the academic year has passed and updates the deadline for institutions to indicate their intent to participate by December 15.

Rule 22.310, Scholarship Amounts and Allocation of Funds, outlines the scholarship amounts and how the Coordinating Board will allocate the funds to institutions. Specifically, the adopted section removes old allocation methodologies and clarifies that eligible institutions will receive at least one research scholarship award.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 61.897, as amended by Senate Bill 2055, which provides the Coordinating Board with the authority to adopt rules as necessary to implement the Texas Leadership Research Scholars Program.

The adopted amendment affects Texas Education Code, subchapter T-3, and 19 Texas Administrative Code Chapter 22, Subchapter O.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 23. EDUCATION LOAN REPAYMENT PROGRAMS

SUBCHAPTER B. TEACH FOR TEXAS LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §§23.32 - 23.35

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 23, Subchapter B, §§23.32 - 23.35, Teach for Texas Loan Repayment Assistance Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6616). The rules will not be republished.

This amendment updates definitions, clarifies aspects of applicant eligibility, and updates program prioritization rules for improved administration.

The Coordinating Board is authorized by Texas Education Code, §56.3575, to adopt rules relating to the Teach for Texas Loan Repayment Assistance Program.

Rule 23.32, Definitions, is amended by adding a definition for "current academic year." The added definition, along with proposed amendments to rule §23.33, is intended to clarify the Coordinating Board's existing practice for determining applicant eligibility. This does not represent a change in administration of the program.

Rule 23.33, Applicant Eligibility, is amended to make nonsubstantive changes intended to clarify the Coordinating Board's practice regarding eligibility determinations. Applications for this Program generally must be submitted between April and July, and applicants must demonstrate that they are: (1) currently employed, (2) certified and teaching in a critical shortage area or in a shortage community, and (3) teaching full-time at the time of application and have taught full-time for a service period (nine months) during the current academic year (i.e. the academic year beginning with the fall semester prior to the application period). None of the proposed changes to this section represent a change in Coordinating Board practice or eligibility criteria for the Program.

Rule 23.34, Applicant Ranking Priorities, is amended to remove a redundant reference to the Program application deadline, further clarify how prioritization occurs, and replace the "financial need" priority factor in current Subsection (b)(5). Current Subsection (a) is redundant with rule §22.33(1), and is eliminated. Nonsubstantive edits to current Subsection (b) align the description of prioritization in other programs within the chapter and clarify potential ambiguities. The "financial need" factor in current Subsection (b)(5), however, is substantively changed from the applicant's adjusted gross income to his or her total education loan debt. This change still meets the requirements of Texas Education Code, §56.353(b), but obviates the need for applicants to provide, and the Coordinating Board to retain, sensitive income tax information.

Rule 23.35, Amount of Loan Repayment Assistance, is amended. Subsection (a) is modified with nonsubstantive edits that align with similar provisions in other programs in the chapter. Subsection (b) is added to codify existing Coordinating Board practice that in each of the five years a person may receive loan repayment assistance under the Program, the person may not receive more than one-fifth of the person's eligible loan balance as was determined when the person first demonstrated eligibility for the Program.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 56.3575, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The adopted amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter B.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER G. NURSING FACULTY LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §23.187, §23.189

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 23, Subchapter G, §23.187 and §23.189, Nursing Faculty Loan Repayment Assistance Program, without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6618). The rules will not be republished.

This amendment replaces the existing prioritization provisions with one that is clearer and more efficiently administered.

The Coordinating Board is authorized by Texas Education Code, §61.9828, to adopt rules relating to the Nursing Faculty Loan Repayment Assistance Program.

Rule 23.187, Definitions, is amended by eliminating the definition for "Texas Center for Nursing Workforce Studies." The changes to rule §23.189 make this term unnecessary.

Rule 23.189, Applicant Ranking Priorities, is amended to replace the prioritization provisions for the program. The existing process relies on faculty vacancy data, but due to timing issues, the available data does not necessarily align with the application and awarding window for the program each year. Moreover, the existing rule does not include a provision to prioritize between two applicants who are employed by the same institution. These provisions are instead replaced with a new process by which renewal applications are prioritized first, which represents current practice, followed by applications from full-time faculty members. Any subsequent separations required would be made on the basis of total education loan debt, as a signifier of financial need.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 61.9828, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The adopted amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter G.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER J. MATH AND SCIENCE SCHOLARS LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §§23.287 - 23.289

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 23, Subchapter J, §23.289, Math and Science Scholars Loan Repayment Assistance Program, with changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6619). The rule will be republished. Sections 23.287, and 23.288 are adopted without changes and will not be republished.

This amendment clarifies potentially ambiguous aspects of the rules and update prioritization provisions to align with similar rules in the chapter.

The Coordinating Board is authorized by Texas Education Code, §61.9840, to adopt rules relating to the Math and Science Scholars Loan Repayment Assistance Program.

Rule 23.287, Definitions, is amended to add a definition for "current academic year," a term introduced to further clarify the eligibility determination process in rule 23.288. The definition aligns with use of the term in similar provisions in the chapter and does not represent a change in Coordinating Board practice.

Rule 23.288, Applicant Eligibility, is amended to clarify the eligibility determination process for Program applicants. Reference to eligibility for those teaching under a probationary teaching certificate is added to paragraph (5) for statutory alignment with Texas Education Code, §61.9832(a)(5)(B), and paragraph (6) is amended to specify that an applicant's eligibility in a given year relates to the service period during the current academic year.

Rule 23.289, Application Ranking Priorities, is retitled to align with naming conventions for similar provisions throughout the chapter and amended to clarify the prioritization process. Changes to this section are largely nonsubstantive, aligning language with similar provisions in the chapter and providing additional detail regarding the Coordinating Board's existing process to prioritize applicants. Paragraph (5) is added, however, to align with processes in other loan repayment assistance programs and provide a final criterion that will definitively allow for all applicants to be ranked.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Section 23.289 is amended to make a grammatical change to update the rule to the *Texas Register* guidelines.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 61.9840, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The adopted amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter J.

§23.289. Applicant Ranking Priorities.

(a) If there are not sufficient funds to offer loan repayment assistance to all eligible applicants, then applications shall be ranked using priority determinations in the following order:

(1) Renewal applications;

(2) Applications from teachers with the greatest number of mathematics and science courses completed, based on the Coordinating Board's review of the applicant's transcripts;

(3) Applications from teachers with the highest aggregate grade point average for the mathematics and science courses described by paragraph (2) of this subsection;

(4) Applications from teachers employed at schools with the highest percentages of students who are eligible for free or reduced cost lunches; and

(5) Applications from those with the greatest financial need based on the applicant's total education loan debt.

(b) Subsections (a)(4) and (5) of this section are applicable only as necessary to make priority determinations between applications for which the criteria listed in subsections (a)(2) and (3) of this section are identical.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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TITLE 25. HEALTH SERVICES

PART 1. DEPARTMENT OF STATE HEALTH SERVICES

CHAPTER 37. MATERNAL AND INFANT HEALTH SERVICES
SUBCHAPTER C. VISION AND HEARING SCREENING

25 TAC §§37.21 - 37.28

The executive commissioner of the Texas Health and Human Services Commission (HHSC), on behalf of the Department of State Health Services (DSHS), adopts amendments to §37.21, concerning Purpose; §37.22, concerning Definitions; §37.23, concerning Vision Screening; §37.24, concerning Hearing Screening; §37.25, concerning Facility Requirements; Department Activities; §37.26, concerning Recordkeeping and Reporting; §37.27, concerning Standards and Requirements for Screening Certification and Instructor Training; and §37.28, concerning Hearing Screening Equipment Standards and Requirements.

Sections 37.22, 37.23, 37.24, 37.25, 37.26, 37.27, and 37.28 are adopted with changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6639). These rules will be republished. Section 37.21 is adopted without changes to the proposed text as published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6639). This rule will not be republished.

BACKGROUND AND JUSTIFICATION

The amendments are necessary to comply with House Bill (HB) 1297, 88th Regular Session, 2023, by Dutton which allows electronic eye charts for childhood vision screenings in public and private schools, licensed childcare centers, and licensed childcare homes. HB 1297 defines electronic eye charts and permits use for visual acuity screenings. Amendments include defining the term in §37.22(11) and permitting its use in §37.23(a)(1)(A).

The amendments also included edits to improve clarity and readability, defined terms, added training materials and referral requirements, removed unnecessary procedural details and a photoscreener training requirement, required facilities and certificate holders to comply with the program's policy and procedures manuals, added an optional hearing screen for children with disabilities or for those who do not pass initial hearing screenings, clarified who may become a certified screener or external instructor, ended audiometer registration because DSHS neither monitors nor enforces registrations, and gave facilities more control over vision screening.

Additionally, nursing program faculty and students, medical offices, and Texas Health Steps Representatives will no longer be trained and certified as screeners or external instructors.

COMMENTS

The 31-day comment period ended November 10, 2025.

During this period, DSHS received 93 stakeholder responses with a total of 362 comments regarding the proposed rules. DSHS received comments from Texas School Nurses Organization (TSNO), Texas Medical Association (TMA), American Association for Pediatric Ophthalmology and Strabismus (AAPOS), The Texas Council of Administrators of Special Education (TCASE), The University of Houston College of Optometry (UHCO), University of Houston Communication Sciences and Disorders Department, Rebion, Good-Lite, LaChance School Health Strategies LLC, Pinewoods Screening Services, and Region 4 Education Service Center. DSHS also received comments from staff of three schools, 42 school districts, and five individuals. A summary of comments relating to the rules and DSHS's responses is below.

Screening Required Within the First 120 Days of School Enrollment

Comment: Multiple commenters suggested changing §37.25(a)(1) - (3) from requiring to recommending all children due for screening be screened within the first 120 days of enrollment. Commenters stated school nurses have multiple competing priorities at the beginning of the school year and many school districts face nursing shortages.

Response: DSHS agrees with the commenters. The requirements were updated to allow flexibility in §37.25(a)(1) - (3).

Comment: Multiple commenters also suggested changing the timeframes in §37.25(a)(1) - (3) from "within the first 120 calendar days of enrollment" to "within the first 120 calendar days of attendance" because enrollment may begin as early as 30-90 days before the start of school, resulting in schools not having a full 120 calendar days to screen.

Response: DSHS agrees with the comments. The timeframes in §37.25(a) (1), (2), and (3) were changed to be based on the first day of attendance and not enrollment.

Audiometers

Comment: Multiple commenters disagreed with the proposed requirement for hearing screeners to conduct biological calibrations on audiometers the day of screening in addition to monthly biological calibrations. Commenters stated additional calibrations were time-consuming, unnecessary, and impractical because often the screener is not the person responsible for biological calibrations.

Response: DSHS agrees and modified §37.28(e) and added subsection (f) to recommend a brief pre-screen operational check to test the headset.

Comment: One commenter requested clarification on the differences between the audiometer calibration documentation in §37.28(d) which requires qualified technicians to perform annual electronic calibrations and complete exhaustive electronic calibration and (f) which requires monthly biological calibration checks performed by the audiometer owner.

Response: DSHS disagrees that clarification is needed and made no changes based on this comment. The two sets of documentation are different. Proof of the annual professional calibration should always be with the audiometer and the monthly calibration records may be stored elsewhere.

Comment: A commenter requested DSHS specify the audiometers referred to in this subchapter are screening audiometers which are different from diagnostic audiometers. Diagnostic audiometers should not be used for screening purposes. The commenter recommended audiometers be defined in this subchapter as "A device used to assess hearing sensitivity. For the purposes of this subchapter, the term refers specifically to a screening pure-tone audiometer used to conduct hearing screenings at prescribed intensity levels to identify individuals who may require further evaluation. Diagnostic audiometers are reserved for use by licensed audiologists to conduct comprehensive hearing assessments and are not permitted for screening purposes."

Response: DSHS agrees and modified §37.22(4) as recommended.

Licensed Professionals and Facilities

Comment: Multiple commenters stated school nurses should be included as licensed professionals as defined in §37.22(17) and therefore be exempt from DSHS vision and hearing certification because of nurses' educational background. Some commenters also suggested using a different term from "licensed professional" since nurses are licensed professionals.

Response: DSHS disagrees with the commenters about exempting school nurses from screener training. It is beneficial to school nurses to receive refresher training on the auditory and visual systems. School nurses must also be trained in screening procedures, recordkeeping, and reporting. Therefore, screening training and certification are warranted.

DSHS agrees with commenters that the term "licensed professional" is confusing in this subchapter. DSHS removed §37.22(17) Licensed Professional and replaced it with §37.22(23) Provider, as defined in Health and Safety Code §36.003(5).

Comment: Multiple commenters disagreed with §37.27(a)(2) which stated DSHS rules are not intended for medical offices and nursing programs. The commenters felt medical office staff should be held to the same training standards as schools and licensed childcare centers. Commenters shared medical offices are often where children who fail a screen are referred to and should therefore have at least the same level of training as school and licensed childcare screeners. Multiple commenters shared school nurses have the same educational background as medical office nurses and a higher level of education than medical assistants who are often the medical office staff member who screens.

Response: DSHS disagrees. Health and Safety Code §36.004 requires children who attend private or public preschools or schools to be screened. DSHS's responsibility is to create and implement screening rules for those locations. While it is important for medical office staff to learn to screen for vision and hearing problems, they do not require DSHS certification.

Comment: Multiple commenters requested school districts be added to the definition of facility because the reporting requirements state each facility should submit a screening report to DSHS. Historically screening reports have been reported to DSHS at the district level.

Response: DSHS disagrees with adding school districts to the definition of facility but revised §37.26(b)(6) to allow DSHS to require either facility or school district reports. The rule was further modified to allow school districts to submit either type of report. If facility reports are required, school districts may decide if the district will submit the facility reports or if it will have each facility submit its own. For the 2025-2026 school year, reporting will continue by district. If there is a change in the future to facility-level reporting, stakeholders will be given advance notice.

External Instructors

Comment: Multiple commenters disagreed with the external instructor (EI) certificate changing from five years to two. Commenters said it would be an additional time burden on nurses that are EIs in school districts that pay for substitute nurses during training. Multiple commenters said with all the current EI oversight there is no reason to shorten the certificate period to maintain quality training.

Response: DSHS agrees. The EI certificate will remain valid for five years.

Comment: Multiple commenters asked DSHS to train more EIs. Commenters stated they need more EIs to meet training demands in their school districts and to keep staff on campus or nearby for training instead of sending them off-campus for one to two days. In addition to the loss of nursing coverage during training days, school districts must also pay for substitute nurses if any are available. Multiple commenters stated additional EI training priority should not be given to larger districts because even small and medium-sized districts need additional EIs.

Response: DSHS agrees and revised §37.27(c) to reduce school districts' barriers to having an adequate number of certified screeners.

Comment: Multiple commenters stated concerns about certain EI requirements or restrictions. Commenters requested EIs not be required to teach at least one basic vision and hearing screener training and recertification training for vision and hearing each year to maintain their EI certificate. Commenters requested electronic submission of training information and an end to the 15-day advance training notice approval so training can be more flexible. A commenter requested EIs be allowed to train and certify screeners outside their own school districts to assist other districts if needed. A commenter also expressed confusion over the proposed annual training requirement, having a window of 18 months to complete.

Response: DSHS agrees and revised §37.27(c) to reduce the annual minimum training requirement and end the 15-day advance training notice. DSHS will develop a process for electronic submission of EI training records. DSHS will also allow EIs to train screeners in any other facility or school district. To reduce confusion about certificate deadlines and expiration dates, §37.27(b)(4) and §37.27(c)(3) were changed so the expiration dates for both screeners and for EIs are current for exactly five years and expire five years from the date of issue and the 18-month window for the annual minimum training requirement for EIs was removed.

Record Keeping and Reports

Comment: One commenter requested a language update to clearly state electronic signatures are allowed on electronic student records.

Response: DSHS disagrees. It is implied that an electronic signature is accepted in an electronic health record and not text that needs to be added to an agency rule.

Comment: One commenter requested the time limit a screener has before submitting screening records to a facility be extended from the proposed three business days to seven.

Response: DSHS disagrees. Three business days to submit screening data to a facility is sufficient.

Technology

Comment: Multiple commenters want to use photoscreeners and other automated screening devices for children of all ages. Some ask specifically to use automated screening devices as the sole means of vision screening. Reasons provided include ease of use, consistency, and ability to identify signs of multiple vision disorders.

Response: DSHS agrees. While visual acuity screening with an eye chart is the gold standard for childhood vision screen-

ing, DSHS understands school districts and other facilities want more options for vision screening. DSHS added §37.23(a)(1) allowing facilities to choose the screening modality they use and §37.23(a)(2)(B) and §37.23(a)(3)(B) to clarify referral criteria for children ages four and younger or five and older, respectively.

Comment: Two commenters recommended DSHS embrace vision screening modalities that involve game-like interactions. The commenters stated such interactions are standard practice in pediatric ophthalmology and should not be looked at as detracting from the screening process.

Response: DSHS agrees with the commenters and appreciates their expert feedback. DSHS modified §37.23(a)(1) to allow automated screening devices for all ages. This change allows facilities to embrace technology for vision screening, including interactive modalities. Note definition of "electronic eye chart" in §37.22(11) does not include automated computer programs that assess an individual's visual acuity through the individual's interaction with the program by playing a game. Automated screening devices, however, do not have the restriction.

Comment: A commenter requested that §37.23(5) exchange "photoscreener" with "instrument-based screener" because it is the more inclusive term.

Response: DSHS agrees and made the change and defined "instrument-based vision screener" in §37.22(16).

Comment: A commenter stated purchasing electronic eye charts could pose a financial burden for some schools and school districts.

Response: DSHS disagrees. Facilities are not required to purchase electronic eye charts.

Comment: Multiple commenters recommend DSHS create standards and guidelines for automated screening devices. The commenters state facilities must only use devices that are peer-reviewed and evidence-based. Other commenters asked DSHS to test and vet automated screening devices or to have a panel do test screening devices.

Response: DSHS agrees standards and guidelines for automated screening devices are important for quality and consistency statewide and will include them in the vision screening manual. It is outside DSHS's scope to test and vet automated screening devices and DSHS does not recommend specific products.

Comment: A commenter recommended §37.27(b)(2) and (b)(3) "needs" be replaced with "requires" for screener certification for photoscreener users.

Response: DSHS agrees and made the change and also replaced "photoscreener" with "instrument-based vision screening device" because it is a broader term.

Miscellaneous

Comment: One commenter stated HB 2789 (89th Texas Regular Session, 2025) misled some licensed childcare centers and licensed childcare homes to believe they no longer needed to screen children and maintain screening records.

Response: DSHS agrees and will communicate with licensed childcare centers and licensed childcare homes to make sure they understand vision and hearing screens are still required.

Comment: Multiple commenters pointed out that §37.25(a)(4) did not list students in pre-k, kindergarten, or first grade as exempt from screening if a family provides a record showing a professional examination was conducted during the current grade year or in the previous one.

Response: DSHS agrees with the commenters. DSHS removed this provision to conform with existing law found in Education Code Section 26.0083 that requires parental consent for health-related services such as vision and hearing screening effective September 1, 2025.

Comment: One commenter wants DSHS to provide clearer protocols for children with special health care needs because the commenter feels it is redundant to refer them every year.

Response: DSHS disagrees. The rules allow alternative screening methods for children with special health care needs. If a screen cannot be performed at the facility, the child should be referred.

Comment: One commenter expressed that schools have a difficult time getting parents to complete a referral regardless of how many support services are provided.

Response: DSHS agrees this is a challenge for schools. Schools should continue to try to get parents to complete a referral and document the school's efforts.

Comment: One commenter recommends DSHS add to the definition of "professional examination" to differentiate it from "screening."

Response: DSHS disagrees that the definitions need additional differentiation and did not change them. As defined in §37.22(21) and (26) respectively, a professional examination is diagnostic, while a screening is an evaluation to see if an individual needs a professional examination and diagnosis.

Comment: One commenter recommended DSHS add "or a DSHS-certified instructor" to §37.22(25) to make it clear a screener can be certified by DSHS or by a DSHS-certified external instructor.

Response: DSHS agrees and made the change.

Comment: Two commenters noted that "test" and "screen" are both used and said that if they are interchangeable, one of the terms should be dropped for consistency.

Response: DSHS agrees. "Screen" is usually the appropriate term in this subchapter. All inaccurate uses of "test" were removed or replaced. The definitions of audiometric testing device, testing equipment, and tests were removed from proposed §37.22(6), §37.22(31), and §37.22(32), respectively. The paragraphs were renumbered accordingly.

Comment: One commenter recommended removing "find specific vision disorders" from §37.23(a) because it implies diagnosis.

Response: DSHS agrees and made the change.

Comment: One commenter worried §37.23(a)(5) as written implies photoscreening is required. The commenter requested "when applicable" be replaced with "when available" because not all facilities have access to photoscreeners.

Response: DSHS agrees and made the change.

Comment: One commenter pointed out a grammatical error in §37.23(d) and said it should be changed from "a individual" to "an individual".

Response: DSHS agrees but removed §37.23(d) to conform with existing law found in Education Code Section 26.0083 that requires parental consent for health-related services such as vision and hearing screening effective September 1, 2025. Therefore, no correction is necessary.

Comment: One commenter requested DSHS change §37.24(a)(3), from rescreening in "28 calendar days" to "within 31 calendar days" because it is easier to keep up with.

Response: DSHS agrees and made the change.

Comment: Two commenters told DSHS §37.24(a)(4) and (5) should state more clearly if a child does not respond to any one of three frequencies at 25dB or lower in the second sweep check they should be referred, and that if a child does not respond at 25 dB or lower for frequencies of 1,000, 2,000, and 4,000 Hz during an extended recheck, they should be referred.

Response: DSHS agrees and made the changes.

Comment: Two commenters asked about §37.25(b) which states facilities may admit a child temporarily for up to 60 calendar days or may deny admission until the screening record is provided if a parent or guardian has the child screened somewhere else. One commenter makes the point a school administrator should not be allowed to withhold a child's admission because keeping the child out of school is more harmful than the child not being screened. The other commenter asked if administrators are allowed to exclude a child from school and highlighted administrative and budgetary consequences.

Response: DSHS disagrees but removed this provision to conform with existing Education Code Section 26.0083 that requires parental consent for health-related services such as vision and hearing screening effective September 1, 2025.

Comment: One commenter requests DSHS remove statements throughout the rules informing stakeholders the vision, hearing, and external instructor manuals contain additional information and facilities and certificate holders must follow them. The commenter worries this is a way for DSHS to add new requirements without the level of public oversight afforded by the rules amendment process.

Response: DSHS understands the stakeholder's concern. The manual is designed to explain the rules in greater detail. Stakeholders are encouraged to notify the program if there is content in the manual that contradicts the rules or has no basis in rule. That is not the program's intent, and the program will resolve it.

Comment: Two commenters asked for clarification on §37.24(e) regarding the exemption for students who are under active or ongoing medical care for hearing condition. Clarification was requested regarding the validity period of supporting documentation. For example, if a student has had a cochlear implant for three years and has provider documentation from three years ago indicating they are under ongoing medical management--and the parent confirms the student remains under such care--does that original provider's note remain valid? Is it necessary for parents to obtain updated provider documentation each school year to verify continued medical oversight for students requiring long-term hearing management?

Response: DSHS agrees and removed this provision to conform with existing law found in Education Code Section 26.0083 that requires parental consent for health-related services such as vision and hearing screening effective September 1, 2025.

Comment: One commenter recommended DSHS remove §37.25(g) regarding external instructors from its current section and move it to §37.27 which includes all other external instructor information and requirements. The commenter felt it was misplaced.

Response: DSHS agrees and made the change.

Comment: One commenter recommended changing §37.26(b)(6)(A) from "showing a disorder was screened for" to "showing a disorder was present" because the relevant information is whether the presence of a disorder was identified.

Response: DSHS agrees and made the change.

Comment: A commenter recommended deleting §37.27(a)(3) because the early mention of external instructors is unnecessary. The process to become an external instructor is listed in detail in §37.27(c).

Response: DSHS agrees and deleted §37.27(a)(3).

Comment: A commenter recommended DSHS replace "regular" with "annual" in reference to exhaustive electronic calibrations in §37.28(d) because "annual" is an objective measure of frequency.

Response: DSHS agrees and made the change.

Additional Changes

DSHS simplified certificate expiration dates for certified screeners by removing extensions to the end of the calendar year of expiration. Certificates will now expire five years from the date of issue for both certified screeners and certified external instructors.

DSHS included §37.22(6) to define the term automated vision screening devices because it is used within the rules.

DSHS modified §37.23(a), §37.24(a), and §37.25(a) and removed §37.24(c), §37.25(a)(4), §37.25(b), and §37.25(c) to conform with existing law found in Education Code Section 26.0083 that requires parental consent for health-related services such as vision and hearing screening effective September 1, 2025.

DSHS removed proposed §37.27(c)(1)(C) to reduce barriers to becoming a DSHS-certified external instructor. The subparagraphs were renumbered accordingly.

DSHS added §37.27(c)(14) to clarify that DSHS will not recognize and certify a screener trained by a former DSHS-certified external instructor with a revoked certificate.

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §524.0151 and Texas Health and Safety Code §1001.075, which authorize the executive commissioner of HHSC to adopt rules for the operation and provision of health and human services by DSHS and for the administration of Texas Health and Safety Code Chapter 36.

§37.22. Definitions.

The following words and terms, when used in this subchapter, have the following meanings, unless the context clearly indicates otherwise.

(1) American Academy of Pediatrics (AAP)--A professional organization that makes health recommendations for children.

(2) American Association for Pediatric Ophthalmology and Strabismus (AAPOS)--A professional organization that, along

with the AAP, sets recommended vision screening standards. AAPOS works to improve children's eye care, supports the training of pediatric eye doctors, supports pediatric eye research, and helps adults with alignment issues.

(3) American National Standards Institute, Inc. (ANSI)--A national organization that provides information about standards used in the United States and around the world.

(4) Audiometer--A device used to evaluate hearing sensitivity. For the purposes of this subchapter, the term refers specifically to a screening pure-tone audiometer used to conduct hearing screenings at prescribed intensity levels to identify individuals who may require further evaluation. Diagnostic audiometers are reserved for use by licensed audiologists to conduct comprehensive hearing assessments and are not permitted for screening purposes.

(5) Audiometric calibration equipment--Electronic devices used to adjust audiometers.

(6) Automated vision screening device--A vision screening instrument that uses automation technology (like computer control systems, software, etc.,) to perform vision screening tasks with little or no direct human intervention for each individual sample or patient.

(7) Biological calibration check--A method to check an audiometer's accuracy by evaluating the device on an individual with known hearing levels.

(8) Calibration--The process of comparing an instrument or device to a standard and making adjustments to an acceptable level of accuracy.

(9) Certificate--A qualification given to individuals who complete vision or hearing screener training provided by either the Department of State Health Services (DSHS) or a DSHS-certified instructor.

(10) dB--The decibel is a unit for measuring the loudness of sounds. Decibels range from zero, which is the quietest sound an average person can hear, up to around 130, which is the average level of sound that causes pain.

(11) Electronic eye chart--Any computerized or other electronic system, device, or method of displaying on an electronic screen medically accepted and properly sized optotypes, which may be letters, numbers, or symbols a health care practitioner or other person uses to assess an individual's visual acuity. The term does not include an automated computer program that assesses an individual's visual acuity through the individual's interaction with the program by playing a game.

(12) Exhaustive calibration--An audiometer calibration that checks all settings for both earphones.

(13) Extended recheck--A hearing screen used after a child has failed two sweep-check screens.

(14) Facility--Includes public and private preschools and schools, defined as follows:

(A) schools, as defined in Texas Health and Safety Code §36.003;

(B) preschools, as defined in Texas Health and Safety Code §36.003;

(C) child care centers licensed by the Health and Human Services Commission (HHSC); and

(D) child care homes licensed by HHSC.

(15) Hz--Hertz is a unit of frequency equal to one cycle per second.

(16) Instrument-based vision screeners--A broad term for any vision screening tool used for precise measurement, monitoring, or recording of visual information. Automated devices like photoscreeners and autorefractors that estimate refractive errors and other factors that may cause vision problems in children are types of instrument-based vision screeners.

(17) Optotype--A standardized figure or letter used to evaluate visual acuity.

(18) Otoacoustic emissions (OAE) testing--A hearing screen that checks vibrations from the inner ear using sounds from a small device placed in the ear. OAE is an alternate screening method for children with intellectual or developmental disabilities.

(19) Pass/Fail--Allowable documentation of results if photoscreening is used for vision screening, as outlined in this subchapter.

(20) Photoscreener--A device that uses a special camera to check a child's vision using light reflexes to identify vision problem risk factors.

(21) Professional examination--A diagnostic evaluation by a provider with expertise to address the diagnostic needs of an individual with possible vision or hearing issues. This examination meets the requirements of this subchapter and Texas Health and Safety Code Chapter 36.

(22) Program--DSHS Vision and Hearing Screening Program.

(23) Provider--A person who delivers remedial services to individuals who have special senses and communication disorders, including a physician, audiologist, speech pathologist, optometrist, or psychologist. The term provider used here also includes locations such as a hospital, clinic, rehabilitation center, university, or medical school.

(24) Reporting year--A 12-month period beginning June 1 of each year and ending May 31 of the next year.

(25) Screener--An individual conducting vision or hearing screenings. A screener is either a provider as defined in this subchapter or is trained and certified by DSHS or a DSHS-certified external vision or hearing instructor to conduct vision or hearing screenings, or both.

(26) Screening--An evaluation to see if someone might need a professional examination.

(27) Screening equipment--An instrument or device used to measure sensory abilities.

(28) Sweep-check--A hearing screen using a pure-tone audiometer to check if an individual can hear tones at 1000 Hz, 2000 Hz, and 4000 Hz at 25 dB.

(29) Telebinocular instrument--A device used to check for various eye defects and measure visual acuity.

(30) Vision disorder--An impairment of the sense of vision.

(31) Visual acuity--The ability to distinguish letters or symbols at 20 feet or with a chart that simulates 20 feet. In this subchapter, visual acuity specifically means how clearly an individual can see things far away, measured as a standard ratio like 20/20.

§37.23. Vision Screening.

(a) Once the individual's parent or guardian has given consent for screening, vision screening is required to find signs of potential vision disorders for individuals attending a facility. Vision screening as described in this subchapter must meet the following requirements.

(1) Facilities and school districts may select subparagraph (A) or (B) of this paragraph for vision screening of all ages. Deciding factors may include student population, screener availability, and cost.

(A) Facilities may screen for visual acuity using traditional wall charts or electronic eye charts that show approved optotypes at the correct distances. See the vision screening manual on the Department of State Health Services (DSHS) website for detailed instructions and a list of approved optotypes.

(B) Facilities may screen using an automated screening device. Refer to the vision screening manual on the DSHS website for additional guidance.

(C) Facilities must calibrate, operate, and maintain all screening devices or equipment according to the manufacturer's instructions. Any screening tool that is not in good working order must not be used. The screening tool must be repaired or replaced.

(2) Facilities must refer children aged four years and younger for a professional examination in the following circumstances.

(A) Either eye cannot correctly identify the majority of optotypes on the 20/40 acuity line or if there is a difference of two lines between passing acuities in either eye. For example, if a child has 20/40 vision in one eye and 20/20 in the other, the child must be referred. However, if a child has 20/40 vision in one eye and 20/30 in the other, the child passed the screening.

(B) Either eye receives a failing result when screened with an automated screening device. DSHS recommends children who fail an automated screen receive a follow-up screen with a traditional or electronic eye chart and other optional screening methods described in the vision screening manual on the DSHS website.

(3) Facilities must refer children aged five years and older for a professional examination in the following circumstances.

(A) Either eye cannot correctly identify the majority of optotypes on the 20/30 line. The DSHS requirement differs from the AAPOS standard of 20/32.

(B) Either eye receives a failing result when screened with an automated screening device. DSHS recommends children who fail an automated screen receive a follow-up screen with a traditional or electronic eye chart and other optional screening methods described in the vision screening manual on the DSHS website.

(4) Facilities must refer to and comply with additional pass or fail criteria in the vision screening manual on the DSHS website.

(5) Facilities must use instrument-based vision screening, when available, for children aged 42 months to five years, as recommended by AAPOS, and for individuals with disabilities who do not respond well to other screening methods. Refer a child for a professional examination if the child fails the photoscreening.

(b) A screener who is not a provider and conducts vision screening in facilities must be trained and certified as described in §37.27 of this subchapter (relating to Standards and Requirements for Screening Certification and Instructor Training).

(c) Facilities must give the child's parent, other legally responsible adult, or the individual in the scenarios described in Texas Family Code §32.003, a referral form if the child fails a second screening or if after failing the initial screening, the screener determines a second screening is unnecessary. The referral is for further evaluation by an appropriate provider. Facilities must not refer a child to a specific person.

(d) Facilities, school districts, and screeners must follow all instructions in the vision screening manual available on the DSHS website.

§37.24. Hearing Screening.

(a) Once the individual's parent or guardian has given consent for screening, hearing screenings to detect hearing disorders must be provided for individuals attending a facility. Hearing screening as described in this subchapter must meet the following requirements.

(1) Use a pure-tone audiometer to perform a sweep-check screen.

(2) Record the screening results for each ear at less than or equal to 25 dB for 1000 Hz, 2000 Hz, and 4000 Hz.

(3) A screener must perform a second sweep-check screen if the results show that the child did not respond to any one of the three frequencies in either ear. If the child has a cold, congestion, fluid buildup in the ears, or any other condition impacting hearing, delay the second sweep-check screen. The screener must perform the rescreening no later than 31 calendar days after the initial screening.

(4) A screener must either perform an optional extended recheck or refer the child for a professional examination if the child does not respond to any one of the three frequencies in either ear on the second sweep-check. The hearing screening manual lists the steps for conducting an extended recheck.

(5) A screener must refer for a professional examination if the child does not respond to any one of the three frequencies in either ear at 25 dB or lower during an extended recheck. The hearing screening manual lists the steps for conducting an extended recheck.

(b) Otoacoustic emissions (OAE) testing may replace pure-tone audiometry only if a child has a documented disability preventing audiometer screening. OAE testing is optional and dependent on the screener's access to OAE testing equipment. The screener must use the equipment according to the manufacturer's recommendations.

(c) A screener who is not a provider and performs hearing screenings in facilities must be trained and certified as described in §37.27 of this subchapter (relating to Standards and Requirements for Screening Certification and Instructor Training).

(d) Facilities must give the child's parent, other legally responsible adult, or the individual in the scenarios described in Texas Family Code §32.003, a referral form if the child fails a second sweep-check or extended recheck screening. The referral is for further evaluation by an appropriate provider. Facilities must not refer a child to a specific person.

(e) Facilities, school districts, and screeners must follow all instructions in the hearing screening manual available on the Department of State Health Services (DSHS) website.

§37.25. Facility Requirements; Department of State Health Services (DSHS) Activities.

(a) The chief administrator must ensure that each individual admitted to the facility is screened according to these screening requirements, provided the individual's parent or guardian has given consent for screening.

(1) Children ages four and older as of September 1 of the school year who are enrolled in any facility for the first time must have vision and hearing screens. The screens should occur within 120 calendar days of the first attendance day. If a child enrolls within 60 calendar days of the end of the school year, the child's vision and hearing must be screened the next school year and should occur within 120 calendar days of the first attendance day.

(2) Children in pre-kindergarten and kindergarten must be screened each year. Screens should occur within 120 calendar days of the first attendance day.

(3) Children in the first, third, fifth, and seventh grades must be screened for vision and hearing problems. Screens should occur within 120 calendar days of the first attendance day in each of those grades to allow for early intervention if a problem is found.

(4) Children turning four years old after September 1 of the school year do not need to be screened until the next school year.

(5) Children may be screened on an alternate schedule (i.e., pre-kindergarten, kindergarten, first, second, fourth, and sixth grades) if DSHS approves a written request. DSHS may set conditions so children receive necessary screenings during the transition.

(b) The facility must verify the screener has a valid DSHS screening certificate before screening begins.

(c) Volunteers must have a high school diploma or equivalent to help with vision and hearing screenings. The screener is responsible for deciding how a volunteer will assist with the screening process, consistent with all state and federal confidentiality requirements.

(d) Facilities must follow DSHS rules, instructions, policies, and the vision and hearing screening manuals available on the DSHS website.

§37.26. Recordkeeping and Reporting.

(a) Screeners at facilities must follow the rules for keeping records and reporting information.

(1) A screener must document in each child's screening record the specific screening performed, the date the screening was performed, observations made during the screening, and results. The screener must document the child's name, age or birthdate, and if the child is wearing corrective lenses during the vision screening. The screener must sign and date this information.

(2) A screener must provide facilities a copy of the screener's Department of State Health Services (DSHS) screener certificate.

(3) Screeners at a facility must submit the required documentation referenced in paragraph (1) of this subsection to the facility by the specified deadline or no later than three business days after the screening.

(b) Facilities must follow the rules for keeping records and reporting information.

(1) A facility must maintain vision and hearing screening records onsite for at least two years.

(2) A facility must maintain records of screening exemptions found in this subchapter for at least two years.

(3) A facility must maintain the records received from screeners for at least two years.

(4) A child's screening records may be transferred between facilities without consent of the child's parent, managing conservator, or legal guardian, or the individual in the scenarios described in Texas Family Code §32.003, according to Texas Health and Safety Code §36.006(c).

(5) Facilities must provide the required records to DSHS in a timely manner if requested. DSHS or its representatives may enter a facility and inspect vision and hearing screening records.

(6) Facilities or school districts must submit a yearly report on the vision and hearing screening status of the aggregate population screened during the reporting year. The report must be submitted on or before June 30 of each year in the manner specified by DSHS at https://www.dshs.texas.gov/vision-hearing-screening. DSHS may require individual reports for each school or may accept a single report from the school district. DSHS will notify stakeholders of the reporting requirement on the program website. If individual reports are required, school districts will determine if either the district will submit individual facility reports or will have each facility submit a report.

(A) Hearing screening--The total number of children screened, including the number who failed; the number screened by OAE testing; the number referred for professional examination; the number who left the facility before the facility received the professional examination results; professional examination results showing none of the screened disorders were present; professional examination results showing a disorder was present; and referrals for a professional examination where no professional examination was done.

(B) Vision screening--The total number of children screened, including the number screened with glasses or contact lenses, the number screened with instrument-based vision screeners, and the number screened with a wall or electronic eye chart; the number who failed; the number referred for professional examination; the number who left the facility before the facility received the professional examination results; the number whose professional examination results indicated no issues; the number whose professional examination results indicated an issue; and the number referred for a professional examination where no examination was done.

(c) Additional recordkeeping requirements for screeners who own or use audiometers and audiometric screening equipment are in §37.28(g) of this subchapter (relating to Hearing Screening Equipment Standards and Requirements).

(d) Submit documents described in this subchapter as directed on the DSHS website.

(e) Facilities, school districts, and screeners must follow all recordkeeping instructions in the vision and hearing screening manuals.

§37.27. Standards and Requirements for Screening Certification and Instructor Training.

(a) A screener working in a facility must be certified by the Department of State Health Services (DSHS) unless the screener is a provider. Training for screeners is provided either directly by DSHS or by instructors authorized by DSHS to issue certificates. There is no fee for taking the course in either case.

(1) DSHS provides training and issues certificates when the course is completed. To join, participants must have a high school diploma or equivalent and sign a form at the start of the course. Individuals who finish the training and pass the tests will receive a certificate from DSHS to conduct screenings.

(2) The training and certification described in this subchapter are not intended for staff in medical offices or students in medical, nursing, or other training programs. Individuals who do not screen children in facilities as defined in this subchapter are neither eligible nor required to be trained and certified by DSHS.

(b) Holders of certificates issued as described in this section must follow these requirements.

(1) Certificate holders may conduct the type of screening listed on the certificate. Certificate holders must follow all the rules in this subchapter, and failure to do so may lead to modifications, suspension, or cancellation of the certificate.

(2) If a screener uses an instrument-based vision screening device, the screener must follow the manufacturer's instructions. The

screener also requires a current DSHS screening certificate as described in subsection (a) of this section.

(3) A DSHS screening certificate described in this section is valid for five years. Renewing a certificate is explained in paragraph (4) of this subsection.

(4) To renew a screening certificate, an individual must attend a recertification course either offered directly by DSHS, or approved by DSHS and provided by an external instructor before the certificate expires. If an individual does not complete the recertification within five years, the individual must take the complete certification training course again.

(5) DSHS may change, suspend, or cancel a certificate. DSHS will provide notice to the affected screener of any action being taken if DSHS receives information that the screener has not followed the rules in this subchapter.

(6) If a screener receives a notice of action, the screener has 20 business days to request a hearing. DSHS assumes the notice is received five days after being postmarked. Unless the notice specifies another method, the hearing request must be in writing and mailed or hand-delivered to the program at Vision, Hearing, and Spinal Screening Program, Department of State Health Services, Mail Code 1818, P.O. Box 149347, Austin, TX 78714-9347. If the request is not received or postmarked within 25 business days from the notice date, the screener waives the right to a hearing and DSHS may proceed with the action.

(7) Appeals and administrative hearings follow DSHS fair hearing rules in §§1.51 - 1.55 of this title (relating to Fair Hearing Procedures).

(c) DSHS may train individuals to become DSHS-authorized external instructors. These external instructors may train and certify individuals who screen children in facilities. Instructors may not charge fees for these activities.

(1) An individual who wants to become an external instructor must apply and meet the following requirements:

(A) the applicant has a valid DSHS screening certificate and has experience performing screenings; and

(B) the applicant has experience training groups of adults.

(C) An individual who meets the qualifications in subsection (c)(1)(A) - (B) of this section may submit an external instructor application, available on the DSHS website. DSHS will grant or deny the request based on the qualifications described in subsection (c)(1)(A) - (B) of this section and the external instructor manual located on the DSHS website.

(2) DSHS prioritizes applications from facilities and areas with a high training need.
External instructors must hold at least one training session for each type of screening every year to stay certified. The training may be either basic training or recertification training. For example, an external instructor may meet the training requirement for the year by conducting a basic training for hearing screening and a recertification training for vision screening.

(3) The DSHS external instructor certificate lasts for five years. To renew an external instructor certificate, an individual must complete an instructor recertification course before the current certificate expires. If an individual does not recertify within the required time period, the individual must take the complete training course again. DSHS may not renew an external instructor's certificate if DSHS confirms the individual did not fulfill all requirements during the previous certification period.

(4) DSHS-authorized external instructors must use the approved training materials from DSHS and follow all requirements and expectations listed in the instructor training manual.

(5) Instructors who have a valid certification may also teach courses for screener recertification. Instructors must make sure the individuals signing up for these recertification courses are eligible. Instructors must follow all the rules for these recertification courses.

(6) External instructors must turn in all documentation listed in the external instructor training manual in the specified manner and timeframe. Instructors must keep a copy of all records for five years.

(7) External instructors may certify or recertify screeners but cannot certify instructors.

(8) External instructors must follow all DSHS guidelines in the external instructor training manual, including rules about class size and duration, course and instructor evaluations, and testing. The manual also explains what happens if external instructors do not follow these rules.

(9) External instructors must follow all instructions given in the vision or hearing screening manuals, or both, which can be found on the DSHS website.

(10) External instructors may be audited or observed by DSHS at any time for quality checks without notice or permission.

(11) If DSHS gets any information that an external instructor has not followed the rules described in this subchapter, DSHS may modify, suspend, or cancel the certification. DSHS will notify the instructor about any proposed actions.

(12) DSHS will inform facilities or school districts when an external instructor fails to follow all the rules, instructions, policies, and manuals in this subchapter. If the instructor continues to not follow the rules, the instructor's certificate may be canceled.

(13) The instructor has 20 business days after receiving the notice to request a hearing about the proposed action. The notice is considered received five business days after being postmarked. Unless the notice states otherwise, the request for a hearing must be written and mailed or hand-delivered to the address described in subsection (b)(6) of this section. If the request for a hearing is not received or postmarked within 25 business days from the date the notice was sent, the instructor waives the right to a hearing and DSHS may take action.

(14) Screeners trained by a former external instructor with a revoked certificate will not be certified by DSHS.

(15) Appeals and administrative hearings follow DSHS fair hearing rules described in §§1.51 - 1.55 of this title (relating to Fair Hearing Procedures).

§37.28. Hearing Screening Equipment Standards and Requirements.

(a) Unless specified otherwise, all audiometers and other hearing equipment used for hearing screens in facilities must follow the rules described in this subchapter. The facility and the screener must make sure these requirements are met.

(b) The equipment mentioned in subsection (a) of this section must meet the relevant current ANSI standards, or the manufacturer's specifications if there are no ANSI standards, and must follow all other applicable federal and state standards and regulations for such equipment.

(c) Screeners in facilities must be certified by the Department of State Health Services (DSHS) in how to properly use the equipment, as explained in §37.27 of this subchapter (relating to Standards and Requirements for Screening Certification and Instructor Training).

(d) Qualified technicians must perform annual electronic calibrations and complete exhaustive electronic calibrations on audiometers used for screenings in facilities. The technician must provide proof of calibration to the audiometer's owner. Proof of calibration may be shown with a decal or sticker attached to the audiometer or the screener may keep a paper copy of the latest calibration documentation with the audiometer.

(e) The owner of the audiometer or the person in charge at the facility must complete biological calibration checks once a month on all audiometers used in facilities for screenings.

(f) The screener should conduct a brief pre-screen operational check to make sure the headset is operating properly.

(g) Every facility or screener for a facility that uses audiometric screening equipment must keep records of the equipment's calibration and monthly biological calibration checks. These records must be kept for three years and made available to DSHS if requested for inspection.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Department of State Health Services
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TITLE 26. HEALTH AND HUMAN SERVICES

PART 1. HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 559. DAY ACTIVITY AND HEALTH SERVICES REQUIREMENTS

SUBCHAPTER H. INDIVIDUALIZED SKILLS AND SOCIALIZATION PROVIDER REQUIREMENTS

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts amendments to §§559.201, 559.203, 559.205, 559.215, 559.225, 559.227, 559.241, and 559.243; new §§559.226, 559.228, 559.253, 559.255, and 559.257; and the repeal of §559.239.

Sections 559.205, 559.225, 559.226, 559.227, 559.228, and 559.253 are adopted with changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4225). These rules will be republished.

Sections 559.201, 559.203, 559.215, 559.239, 559.241, 559.243, 559.255, and 559.257 are adopted without changes to the proposed text as published in the July 25, 2025, issue of the *Texas Register* (50 TexReg 4225). These rules will not be republished.

BACKGROUND AND JUSTIFICATION

The adopted rules integrate heightened health and safety standards while minimizing unnecessary administrative and financial burdens on providers of Individualized Skills and Socialization (ISS). Specifically, the rules address environmental safety concerns, bolster the rights of individuals receiving individualized skills and socialization services, and implement Texas Health and Safety Code §253.0025 as established by House Bill 1009, 88th Regular Session, 2023, regarding suspension of employees during due process for reportable conduct. The adopted rules also establish alternative pathways to address infractions through administrative penalties, thereby offering providers remedial options beyond license revocation.

The adopted rules clarify existing requirements governing the prevention and investigation of abuse, neglect, or exploitation, and delineate provider requirements and criteria for license issuance or renewal. Additionally, non-substantive grammatical revisions enhance clarity and coherence within the regulatory framework.

COMMENTS

The 31-day comment period ended August 25, 2025.

During this period, HHSC received 65 comments regarding the proposed rules from six commenters including the Texas Council of Community Centers, Advantage Care Services, and Mission Road Developmental Center, and combined comments from Private Provider's Association of Texas and Provider's Alliance for Community Services of Texas. A summary of comments regarding the Individualized Skills and Socialization licensure rules and HHSC's responses follows.

Comment: Several commenters made remarks about §559.201, questioning HHSC's authority to establish licensure for Individualized Skills and Socialization providers under Day Activity and Health Services (DAHS) framework.

Response: HHSC disagrees and declines to revise the rule in response to this comment. HHSC has authority to regulate and license providers of Individualized Skills and Socialization services under Texas Human Resources Code, Chapter 103; Texas Government Code Chapter 532; and Human Resources Code, Chapter 32. The Office of the Attorney General, in Attorney General Opinion No. KP-0497, recognized HHSC's authority to establish the scope of DAHS under Chapter 103 and to create a subcategory of DAHS licensure for Individualized Skills and Socialization providers pursuant thereto.

Comment: Several commenters remarked that §559.203(1), defining "abuse" to include "negligent acts," creates confusion with the definition of "neglect," since neglect is currently defined as a failure to act resulting in harm.

Response: HHSC disagrees and declines to revise the rule in response to this comment. The proposed definitions clearly distinguish abuse, which involves acts causing harm, from neglect, which involves a failure to act.

Comment: Several commenters requested HHSC remove the term "emotional harm" from the definition of "actual harm" in

§559.203(2) or provide a clearer threshold, as it may overlap with mental harm.

Response: HHSC disagrees and declines to revise the rule in response to these comments. HHSC retains "emotional harm" because it is distinct from "mental harm" and is used consistently in the Texas Administrative Code (e.g., Day Activity and Health Services (DAHS) Requirements 26 TAC §559.3 relating to Definitions). Emotional harm generally refers to injury affecting a person's emotional state, such as distress, fear, or humiliation, even if no diagnosable mental impairment occurs. Mental harm refers to injury affecting an individual's psychological or cognitive functioning.

Comment: Several commenters requested the deletion of "cause to believe" under §559.203(4), as they believe the definition is unclear, unnecessary, and does not reduce confusion in practice.

Response: HHSC disagrees and declines to revise the rule in response to these comments. "Cause to believe" means when a provider knows of, suspects, or receives an allegation regarding abuse, neglect, or exploitation, ensuring timely reporting and protection of individuals receiving services.

Comment: Several commenters stated that the definition of "complaint" in §559.203(8) is confusing because it has historically been used to refer to allegations of abuse, neglect, or exploitation (ANE), and to refer to programmatic grievances posted under §559.225(d)(2) for other services. Commenters recommended clarifying the definition to reflect both uses or provide additional guidance on the intended context.

Response: HHSC disagrees and declines to revise the rule in response to these comments. The definition of "complaint" applies specifically to allegations of abuse, neglect, or exploitation, and any violations of Texas Human Resources Code, Chapter 103, or a rule, standard, or order adopted under Chapter 103. Any allegation, whether of abuse, neglect, and exploitation, or otherwise, reported to Complaint and Incident Intake (CII) from anyone who is not considered the provider, is considered a complaint.

Comment: Several commenters stated of §559.203(15) that the term "incident" is used inconsistently, sometimes referring to ANE and other times to non-routine occurrences affecting care. One commenter recommended either deleting the definition and addressing it only in reporting requirements or expanding the definition to capture both uses.

Response: HHSC disagrees and declines to revise the rule in response to these comments. The definition of "incident" focuses on non-routine occurrences that impact care, supervision, or treatment, consistent with HHSC guidance. "Incident" is a broad term and instances of abuse, neglect, and exploitation are considered a specific type of incident.

Comment: A commenter recommended revising the statutory or Texas Administrative Code (TAC) reference found under §559.203(29), as the definition of "pattern" and other references to Texas Human Resources Code, Chapters 103 and 104, are inappropriate because these statutes govern the DAHS program rather than Individualized Skills and Socialization. The commenter recommended using more appropriate statutory or TAC references.

Response: HHSC disagrees and declines to revise the rule in response to this comment. HHSC has authority to regulate and license providers of Individualized Skills and Socialization services under Texas Human Resources Code, Chapter 103; Texas Government Code Chapter 532; and Human Resources Code, Chapter 32. The legislature expressly conferred upon HHSC authority to establish the scope of DAHS under Chapter 103, and HHSC created a subcategory of DAHS licensure for Individualized Skills and Socialization providers pursuant thereto. The licensure rules for Individualized Skills and Socialization do not include reference to Texas Human Resources Code, Chapter 104.

Comment: A commenter recommended revising the definition of "substantial violation" as found under §559.203(33), to "critical violation" and align it with the TAC definitions used in rules relating to administrative penalties for Home and Community-based Services (HCS) and Texas Home Living (TxHmL) waiver programs.

Response: HHSC disagrees and declines to revise the rule in response to this comment. "Substantial violation" is defined in the rule to reflect the licensure framework for DAHS-Individualized Skills and Socialization providers. The terminology and definition are tailored to licensure requirements under TAC for this license type and do not conflict with waiver program terminology, which applies in a separate regulatory context. Maintaining distinct terminology avoids conflating licensure standards with Medicaid program requirements.

Comment: A commenter recommended including alternatives to the phrase "HHSC will refer the application for enforcement" as found under §559.205(h).

Response: HHSC disagrees and declines to revise the rule in response to this comment. The phrase "HHSC will refer the application for enforcement" reflects existing rule language and was not revised as part of this rule project. This phrase is consistent with terminology used across HHSC rules to describe the process by which possible non-compliance with requirements for licensure is evaluated for enforcement purposes including denial of a license.

Comment: A commenter requested HHSC provide clarification in rule regarding the requirement that a provider must not serve more individuals than indicated on its license, as found under §559.205(l). A commenter stated that it is unclear whether this refers to daily capacity or total enrollment.

Response: HHSC agrees with the commenters and incorporated clarifying language under §559.205(e)(7) of the rule regarding capacity requirements. The changes clarify that licensed capacity refers to the maximum number of individuals, regardless of funding source, who can receive services at or from this location, as determined by the provider and informed by building occupancy requirements, staff availability, and Medicaid program requirements governing on-site and off-site staff-to-clients ratios. Neither daily capacity (or attendance) nor total enrollment should exceed licensed capacity.

Comment: Several commenters stated that the individual information document required under §559.225(e) appears duplicative of the list of individuals required under §559.231(f)(3). Commenters requested HHSC offer training or guidance on the individual information document, and recommended HHSC incorporate flexibility into this requirement, so providers can include this information in one document.

Response: HHSC agrees with the commenters and revised the rule to incorporate language clarifying the start date and that the information required under §559.225(e) and §559.231(f) may be combined into a single document. HHSC intends to provide

training and guidance to support providers in implementing requirements outlined in new and revised rules as needed, after rule adoption.

Comment: Several commenters made remarks about standards found in §559.226(a). Commenters stated requiring facilities to meet these standards is overly prescriptive and unrealistic since providers may not be able to prevent all occurrences despite reasonable measures. Commenters recommended revising the rule to focus on requiring reasonable efforts to prevent and remediate all potential concerns related to these standards, rather than prohibiting their occurrence outright.

Response: HHSC agrees with the commenters and revised the rule to include language under §559.226(b) indicating that, when determining whether a violation of the standards outlined in §559.226(a)(2) or (3) has occurred, HHSC considers actions taken by the provider to meet the requirements of these standards.

Comment: Several commenters stated that the requirement for major appliances under §559.226(a)(8) is unclear and overly broad. Commenters recommended that only refrigerators necessary for medication storage should be required, as other appliances (such as dishwashers, ovens, and washing machines) are not essential for the safe delivery of Individualized Skills and Socialization services.

Response: HHSC agrees with the commenters and revised the rule to include language clarifying that the requirement for major appliances applies to those that are necessary for meeting individual health and safety needs based on the population served by the provider.

Comment: Several commenters remarked that §559.226(a)(10)(A), which requires that cleaning chemicals be stored in their original containers, is impractical and inconsistent with common, safe practices such as diluting or transferring products into clearly labeled secondary containers. Commenters recommended allowing either original containers or properly labeled secondary containers consistent with Occupational Safety and Health Administration (OSHA) requirements.

Response: HHSC agrees with the commenters and revised the rule to include flexibility in labeling, such as requiring the label to include, at least, warnings, chemical names, and handling precautions. This will ensure the rules relating to cleaning chemical storage maintain clear, enforceable expectations that align with longstanding practices for other licensed long-term care providers as necessary for ensuring health and safety.

Comment: Several commenters supported the requirement in §559.226(b)(1) for a functioning heating and cooling system but objected to the additional requirement for an alternate method of supplying heating and cooling. Commenters stated the requirement is burdensome and unnecessary, suggesting that instead, HHSC requires providers to arrange alternate service locations if the system fails and the environment becomes unsafe.

Response: HHSC disagrees and declines to amend the rule as recommended by commenters. However, HHSC has amended the rule to clarify that, in the event of heating and cooling system failure, the provider must ensure temporary alternate methods of heating and cooling are available to individuals, including methods such as using back-up generators or fans that meet state, local, and federal guidelines in the event the system does not work or is in repair, and if alternate methods are not available, the provider must ensure alternate arrangements of service provision or methods of heating and cooling are provided in accordance with the provider's emergency plan, as outlined in §559.229 of this division (relating to Environment and Emergency Response Plan).

Comment: Several commenters recommended that, under §559.227(b)(1) regarding admission and discharge requirements, HHSC require licensed DAHS-Individualized Skills and Socialization providers to follow the same admission and discharge standards as HCS program providers.

Response: HHSC disagrees and declines to amend the rule as recommended by commenters. This requires a DAHS-Individualized Skills and Socialization provider to admit or discharge individuals based on the provider's demonstrated capacity to meet the needs of individuals safely and appropriately. However, HHSC has amended the rule to further clarify the providers' obligation to make reasonable efforts to retain an individual and to admit an individual when appropriate and feasible.

Comment: Several commenters suggested that, under §559.227(c)(2)(D), HHSC revise the rule to replace "individuals" with "all individuals" for clarity, noting that the current singular wording could be confusing.

Response: HHSC disagrees and declines to revise the rule in response to these comments. The use of the term "individual" is intentional in this context and refers to each individual receiving services. The term "individual" aligns with the person-centered focus of the rule and avoids ambiguity.

Comment: Concerning §559.227(e), several commenters stated that the rule requiring the service location to be owned or leased by the DAHS-Individualized Skills and Socialization provider is too restrictive and limits the use of community-based spaces made available through formal agreements with non-profits, faith-based, or community organizations. Commenters recommended revising the rule to allow for such arrangements.

Response: HHSC disagrees and declines to revise the rule at this time. Location requirements for the provision of on-site and off-site Individualized Skills and Socialization services are governed by Medicaid program rules and settings requirements for home and community-based services (HCBS) under 26 TAC §263.2005. On-site, but not off-site, services must be provided in a location owned or leased by the provider. HHSC will gather the appropriate parties to discuss future rule projects related to this recommendation.

Comment: Several commenters stated that the requirement under §559.227(i) to document non-participation could be interpreted to require documentation of every individual activity choice (e.g., bowling vs. park), which would create an unnecessary administrative burden. Commenters recommended limiting intent to documenting when an individual or Legally Authorized Representative (LAR) declines participation in a scheduled service period, not activity preferences within it.

Response: HHSC agrees to make changes and revised the rule to clarify that documentation is not required if an individual or LAR chooses one activity over another during the scheduled on-site or off-site individualized skills and socialization activity.

Comment: A commenter agreed that DAHS-Individualized Skills and Socialization providers should be able to communicate observed needs, as outlined in §559.227(j), but stated that making assessments is outside the provider's scope and falls within the responsibility of licensed professionals.

Response: HHSC appreciates the commenters feedback but declines to revise the rule in response to this comment. The proposed rule under §559.227(j) does not imply that the DAHS-Individualized Skills and Socialization provider is required to assess individuals. This requirement outlines the DAHS-Individualized Skills and Socialization provider's responsibility to communicate when the provider becomes aware of a modification or restriction needed based on an already assessed need. This ensures health and safety needs are addressed while maintaining the defined scope of the DAHS-Individualized Skills and Socialization provider's responsibilities.

Comment: A commenter recommended replacing the term "person centered plan" with Person-directed Plan or Implementation Plan (whichever was intended) in §559.227(j).

Response: HHSC disagrees and declines to revise the rule in response to this comment. This subsection defines the term "person-centered plan," which includes the individual's person-directed plan (PDP) for HCS and TxHmL waiver program participants, or individual program plan (IPP) for Deaf Blind with Multiple Disabilities (DBMD) waiver program participants.

Comment: Several commenters recommended revising the cross-reference in §559.227(j)(3) from §559.225(f) to §559.225(e).

Response: HHSC agrees with the commenters and revised the cross-reference found under §559.227(j)(3) from §559.225(f) to §559.225(e).

Comment: A commenter stated the requirement outlined in §557.227(j)(4) is outside the scope of the DAHS-Individualized Skills and Socialization provider's responsibility, as DAHS-Individualized Skills and Socialization providers do not participate in creating or updating the PDP or person-centered service plans. Commenter stated that such updates are the responsibility of the service coordinator and the individual, or the LAR, and DAHS-Individualized Skills and Socialization providers would not have the capacity to update the plan.

Response: HHSC disagrees and declines to revise the rule in response to this comment. The intent of this requirement is not to imply that a DAHS-Individualized Skills and Socialization provider would be responsible for updating an individual's PDP or person-centered service plan; this requirement indicates that providers must inform service providers, which are defined in §559.203 of rule concerning Definitions, as employees, contractors, or volunteers who directly provide Individualized Skills and Socialization services, of modifications or restrictions to an individual's plan. This requirement aligns with existing rule requirements and ensures health and safety needs are met while maintaining the provider's defined responsibilities.

Comment: Several commenters made remarks about §559.227(l). Commenters stated trainings are required too frequently and recommended extending the period of time allowed between trainings. Commenters recommended changing the current rule regarding the ongoing training requirement for Cardiopulmonary Resuscitation (CPR) in §559.227(l)(1)(B)(i) from "ensure service providers maintain current CPR certification" to "maintain current documentation of course completion or current certification in CPR."

Response: HHSC agrees with the commenters and revised the timeframe between required training. While initial and ongoing training requirements will remain consistent with existing requirements, HHSC will incorporate language into the rules to extend retraining requirements to every two years (biannually). For the population served, retraining will be required whenever there is an update to an individual's plan.

Comment: With respect to §559.227(m)(1)(C)(i) and (ii), several commenters recommended refining medication documentation requirements to align with standard medical and pharmacy practices, including verification through the pharmacy label or updated healthcare provider order, and allowing temporary use of a prescriber's order until a new pharmacy label is available. Commenters stated that requiring providers to verify prescription orders with the pharmacy or healthcare provider, or the requirement to document certain details, such as pharmacist instructions, generic substitutions, administration times, doses received, and administration specifics could be confusing and burdensome.

Response: HHSC agrees with the commenters and revised rule language to indicate that medication documentation must reflect information on the prescription label. The requirement to document this information in the medication record is essential to ensure that medications are properly accounted for and accurately administered. Omitting this information creates potential risk to the individual's health and safety and increases the likelihood of medication discrepancies or drug diversion. These requirements align with federal and state pharmacy labeling requirements and ensure safe, accurate medication administration.

Comment: Several commenters stated of §559.227(m)(3)(E) that requiring Schedule II medications to be stored in a locked, permanently attached cabinet, box, or drawer is impractical for off-site, community-based services. Commenters expressed concern that individuals needing these medications could potentially be excluded from off-site activities or face care disruptions. One commenter recommended allowing secure, portable storage under authorized staff control for off-site services.

Response: HHSC agrees with the commenters and revised rule language to incorporate provisions pertaining to off-site storage of Schedule II medications under §559.227(m)(3)(iii).

Comment: Several commenters made remarks about §559.228(e), recommending that HHSC revise rule language to require DAHS-Individualized Skills and Socialization providers to support individuals in addressing concerns that apply only to the provision of Individualized Skills and Socialization services and not to unrelated waiver services.

Response: HHSC agrees with the commenters and revised rule language to clarify that this requirement applies to individualized skills and socialization providers addressing concerns with the program provider regarding the individual plan of care (IPC), IPP, PDP, or implementation plan when the individual dislikes or disagrees with the services being rendered by the individualized skills and socialization provider.

Comment: Several commenters recommended that, under §559.229(f)(2)(C), providers be permitted to use provider-developed documentation systems for forms such as the Fire Drill Report Form (4719), the individual information document (as outlined in §559.225(e) and §559.231(f)(3)), or an individual's Electronic Health Record (EHR), whether paper or electronic, so long as all HHSC-required elements are included.

Response: HHSC agrees with the commenters and revised rule language to incorporate this flexibility into rule under §559.225(g). This allows for flexibility regarding certain forms, documents, and records required under the Individualized Skills

and Socialization Licensure Rules, such as the HHSC Fire Drill Report Form (4719) referenced under §559.229(f)(2)(C) of this subchapter, the individual information document referenced under §559.225(e), the list of individuals referenced under §559.231(f), and Electronic Health Records (EHRs). These documents may be completed and maintained electronically, either on the HHSC-prescribed form or on a provider-developed form or template that includes, at a minimum, the information required by HHSC. After rule adoption, HHSC will issue communication to providers about this flexibility. Rule language found under §559.229(f)(2)(C) referencing the HHSC Fire Drill Report Form will be amended to include this clarification in a future rule project, as changes to this rule section were not included as part of this rulemaking.

Comment: Several commenters stated that requirements under §559.241(d) eliminate the ability for providers to use their own forms or electronic systems for provider investigation reports. Commenters further stated that many providers use internal tools that capture all required elements, and requiring providers to use specific HHSC forms could create duplicative documentation, increase costs, and reduce efficiency without improving protections for individuals.

Response: HHSC disagrees and declines to revise the rule in response to these comments. HHSC Form 3613-A, Provider Investigation Report, is the standard form used by licensed long-term care providers when submitting written investigation reports to HHSC in accordance with regulatory requirements. This requirement to send a written investigation report on Form 3613-A, Provider Investigation Report, is necessary to avoid delays in processing submissions and ensure investigations are undertaken consistently among providers.

Comment: Several commenters stated that the term "complaint" in §559.243 is confusing because it has been historically used in two ways: to refer to allegations of ANE, and to refer to programmatic grievances posted under §559.225(d)(2) for other services. Commenters recommend clarifying the definition under §559.203(8) concerning Definitions, to reflect both uses or provide additional guidance on the intended context.

Response: HHSC disagrees and declines to revise the rule in response to these comments. "Complaint," as defined in §559.203(8) concerning Definitions, applies specifically to allegations of abuse, neglect, or exploitation, and any violations of Texas Human Resources Code, Chapter 103, or a rule, standard, or order adopted under Chapter 103. Any allegation, whether of abuse, neglect, and exploitation, or otherwise, reported to Complaint and Incident Intake (CII) from anyone who is not considered the provider, is considered a complaint. Use of the term in this subsection is consistent with the definition found under §559.203(8).

Comment: Several commenters made remarks about §559.253, stating that HHSC cannot reasonably impose costly new obligations without addressing rate adequacy, or services will continue to destabilize.

Response: HHSC disagrees and declines to revise the rule in response to these comments. The cost to providers regarding administrative penalties will depend on each provider's compliance with regulatory requirements. Rates are not within the scope of this rulemaking.

Comment: A commenter recommended that HHSC insert the phrase "against the individualized skills and socialization provider" in §559.253(a) to increase clarity.

Response: HHSC disagrees and declines to revise the rule in response to this comment. The Individualized Skills and Socialization licensure rules apply specifically to licensed DAHS-Individualized Skills and Socialization providers.

Comment: Several commenters made remarks about §559.253(b) regarding administrative penalty amounts. Commenters stated that penalties should not exceed $500 per violation, and recommended HHSC change rule language to align Individualized Skills and Socialization penalties with DAHS penalty standards and Texas Human Resources Code §103.012(b).

Response: HHSC agrees with the commenters and revised administrative penalty amounts, as shown under Figure §559.253(b) in rule. Penalty amounts have been revised to align with Texas Human Resources Code §103.012(b).

Comment: Several commenters recommended revising §559.253(f)(1) so that the penalty period begins on the date the provider is formally notified of the violation, not on the date HHSC internally "identifies" it.

Response: HHSC disagrees and declines to revise the rule in response to these comments. The penalty period should begin when the violation began. The beginning of the violation corresponds better with when HHSC identifies the violation to protect the health and safety of individuals than when HHSC provides formal notice of it.

Comment: Several commenters recommended aligning §559.253(g) with DAHS administrative penalty rules regarding the date of correction, which presume the date of correction identified in the provider's written plan of correction to be the actual date of correction unless HHSC later determines the correction was not made or was unsatisfactory.

Response: HHSC disagrees and declines to revise the rule in response to these comments. The plan of correction gives a presumed date of correction. Because actual correction is determined by follow-up visit, HHSC will not amend the proposed rule.

Comment: Several commenters requested that HHSC consider, under §559.253 regarding implementation of administrative penalties for DAHS-Individualized Skills and Socialization providers, an effective date for implementation of administrative penalties that is at least six months from the effective date of the new administrative penalty rules.

Response: HHSC disagrees and declines to revise the rule in response to these comments. As the Individualized Skills and Socialization Licensure rules are an extension of the DAHS rules generally, providers were aware of administrative penalties as a possible remedy in the Individualized Skills and Socialization rules.

Comment: Several commenters recommended including information about the Informal Dispute Resolution (IDR) process under §559.255(g)(3)(B).

Response: HHSC disagrees and declines to revise the rule in response to these comments. The IDR process for DAHS-Individualized Skills and Socialization providers is outlined under §559.233(g) of existing licensure rules for Individualized Skills and Socialization, and no changes to §559.233(g) were proposed as part of this rulemaking.

Comment: Several commenters recommended matching DAHS penalty rule language regarding the date of correction under §559.255(l).

Response: HHSC disagrees and declines to revise the rule in response to these comments. The language under §559.255(l) is consistent with the current DAHS rule language regarding the date of correction located at §559.107(c).

HHSC made changes to rule language independent of the formal comment process and as a result of internal and external stakeholder meeting feedback.

HHSC received several comments that fell outside the scope of this project. Comments included that HHSC provide adequate reimbursement rates to cover operational costs; include language in the Individualized Skills and Socialization licensure rules that prohibits providers from charging individuals and their LARs additional fees; and outline HHSC's internal processes for licensure surveys.

HHSC did not make changes as a result of the comments noted above, as they were outside the scope of this rulemaking.

DIVISION 1. INTRODUCTION

26 TAC §559.201, §559.203

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and §532.0051, which provides HHSC with the authority to administer federal funds and plan and direct the Medicaid program in each agency that operates a portion of the Medicaid program; and Texas Human Resources Code §32.021, which provides that HHSC adopt rules necessary for the proper and efficient operation of the Medicaid program, and §103.004, which requires the executive commissioner of HHSC to adopt rules and set standards implementing Chapter 103.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600192
Karen Ray
Chief Counsel
Health and Human Services Commission
Effective date: February 9, 2026
Proposal publication date: July 25, 2025
For further information, please call: (512) 438-3161

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DIVISION 2. LICENSING

26 TAC §559.205, §559.215

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and §532.0051, which provides HHSC with the authority to administer federal funds and plan and direct the Medicaid program in each agency that operates a portion of the Medicaid program; and Texas Human Resources Code §32.021, which provides that HHSC adopt rules necessary for the proper and efficient operation of the Medicaid program, and §103.004, which requires the executive commissioner of HHSC to adopt rules and set standards implementing Chapter 103.

§559.205. Criteria for Licensing.

(a) An entity may not establish or provide individualized skills and socialization services in Texas without a license issued by the Texas Health and Human Services Commission (HHSC) in accordance with Texas Human Resources Code, Chapter 103, and this subchapter.

(b) An individualized skills and socialization provider must be listed on the HHSC Day Activity and Health Services (DAHS) directory as an individualized skills and socialization provider to provide individualized skills and socialization services.

(c) An applicant for a license must follow the application instructions and submit a completed application form, required documentation, and required license fee to HHSC through the online licensure portal.

(d) An applicant for a license must complete HHSC required training to become an individualized skills and socialization provider and provide documentation that required training is complete through the application in the online licensure portal.

(e) An applicant for a license must submit to HHSC as part of the application the:

(1) name of the business entity to be licensed;

(2) tax identification number;

(3) name of the chief executive officer (CEO) or equivalent person;

(4) ownership information;

(5) address of the on-site individualized skills and socialization location or, for providers of off-site individualized skills and socialization services only, the designated place of business where records are kept;

(6) name of program providers using this entity for individualized skills and socialization services, if any;

(7) maximum number of individuals, regardless of funding source, who can receive services at or from this location, as determined by the provider and informed by building occupancy requirements, staff availability, and Medicaid program requirements, which will become the licensed capacity when approved;

(8) effective date the entity will be available to provide individualized skills and socialization services;

(9) attestation that the applicant has created and implemented a community engagement plan, including:

(A) a description of how the organization will meet the requirement to make off-site individualized skills and socialization available to individuals;

(B) a description of how the organization will work with contracted program providers to obtain information from the individuals' person-directed plans (PDP) and implementation plan, and use that information to inform on-site and off-site activities that are aligned with an individual's PDP; and

(C) a description of how staff will respond to an emergency or other unexpected circumstance that may occur during the provision of on-site and off-site individualized skills and socialization services to ensure the health and safety of all individuals; and

(10) any other information required by the online application instructions.

(f) HHSC may deny an application that remains incomplete after 120 days.

(g) Before issuing a license, HHSC considers the background and qualifications of:

(1) the applicant or license holder;

(2) a person with a disclosable interest;

(3) an affiliate of the applicant or license holder;

(4) an administrator;

(5) a manager; and

(6) any other person disclosed on the submitted application as defined by the application instructions.

(h) If the location where an applicant intends to provide on-site or off-site individualized skills and socialization services is located within, on the grounds of, or physically adjacent to a prohibited setting as set forth in the rules governing the Home and Community-based Services (HCBS) waiver programs, as described in §263.2005(d) of this title (relating to Description of On-Site and Off-Site Individualized Skills and Socialization), and the applicant has not been approved through heightened scrutiny process as described in §263.2005(e) of this title, HHSC will refer the application for enforcement.

(i) HHSC issues a license if it finds that the applicant or license holder, and all persons described in subsection (g) of this section, affirmatively demonstrate compliance with all applicable requirements of this subchapter, based on an on-site survey.

(j) For DAHS Individualized Skills and Socialization Only licensure applications, HHSC may:

(1) at its sole discretion, issue a temporary initial license effective for 180 days, which may be extended until such time as an applicant demonstrates that it meets the requirements for operation based on an on-site survey; and

(2) issue a three-year license to applicants described under this subsection.

(k) For DAHS with Individualized Skills and Socialization licensure applications, HHSC will follow the criteria for licensure as described in §559.11 of this chapter (related to Criteria for Licensing).

(l) An individualized skills and socialization provider must not provide services to more individuals than the number of individuals specified on its license.

(m) An individualized skills and socialization provider must prominently and conspicuously post its license for display in a public area of the on-site individualized skills and socialization location that is readily accessible to individuals, employees, and visitors. For an off-site only individualized skills and socialization provider, the license must be displayed in a conspicuous place in the designated place of business.

(n) If any information submitted through the application process changes following licensure, the license holder must submit an application through the online licensure portal to make the changes.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Karen Ray
Chief Counsel
Health and Human Services Commission
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DIVISION 3. PROVIDER REQUIREMENTS

26 TAC §§559.225 - 559.228

STATUTORY AUTHORITY

The amendments and new sections are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and §532.0051, which provides HHSC with the authority to administer federal funds and plan and direct the Medicaid program in each agency that operates a portion of the Medicaid program; and Texas Human Resources Code §32.021, which provides that HHSC adopt rules necessary for the proper and efficient operation of the Medicaid program, and §103.004, which requires the executive commissioner of HHSC to adopt rules and set standards implementing Chapter 103.

§559.225. General Requirements.

(a) An individualized skills and socialization provider must:

(1) comply with the provisions of Texas Health and Safety Code (HSC), Chapter 250 (relating to Nurse Aide Registry and Criminal History Checks of Employees and Applicants for Employment in Certain Facilities Serving the Elderly, Persons with Disabilities, or Persons with Terminal Illnesses);

(2) before offering employment to any person, search the following registries to determine if the person is eligible for employment:

(A) the employee misconduct registry (EMR) established under HSC §253.007;

(B) the Texas Health and Human Services Commission (HHSC) nurse aide registry (NAR) and medication aide registry (MAR);

(C) the List of Excluded Individuals and Entities (USLEIE) maintained by the United States Department of Health and Human Services; and

(D) the List of Excluded Individuals and Entities (LEIE) maintained by HHSC Office of Inspector General;

(3) not employ a person who is listed on the:

(A) HHSC employee misconduct registry as unemployable; or

(B) HHSC nurse or medication aide registries as revoked or suspended; and

(4) provide information about the EMR to an employee in accordance with §561.3 of this title (relating to Employment and Registry Information).

(b) In addition to the initial search of the EMR, LEIE, NAR, MAR, and USLEIE, an individualized skills and socialization provider must:

(1) conduct a search of the NAR, MAR, and EMR to determine if the employee is designated in those registries as unemployable at least every 12 months;

(2) keep a copy of the results of the initial and annual searches of the NAR, MAR, and EMR in the employee's personnel file and make it available to HHSC upon request; and

(3) comply with all relevant federal and state standards.

(c) An individualized skills and socialization provider must:

(1) report abuse, neglect, and exploitation in accordance with §559.241 of this subchapter (relating to Reporting Abuse, Neglect, or Exploitation to HHSC);

(2) suspend a service provider who HHSC finds has engaged in reportable conduct while the service provider exhausts any applicable appeals process, including informal and formal appeals and any hearing or judicial review, pending a final decision by an administrative law judge, and may not reinstate the service provider during any applicable appeals process;

(3) develop and enforce policies and procedures for creating and maintaining incident reports; and

(4) ensure the confidentiality of individual records and other information related to individuals.

(d) An individualized skills and socialization provider must prominently and conspicuously post for display in a public area of the on-site individualized skills and socialization location, or designated place of business for off-site only individualized skills and socialization, that is readily available to individuals, employees, and visitors:

(1) the license issued under this chapter;

(2) a sign prescribed by HHSC that describes complaint procedures and specifies how complaints may be filed with HHSC;

(3) a notice in the form prescribed by HHSC stating that survey and related reports are available at the on-site individualized skills and socialization location for public survey and providing the HHSC toll-free telephone number that may be used to obtain information concerning the individualized skills and socialization provider;

(4) a copy of the most recent survey report relating to the individualized skills and socialization provider;

(5) a brochure, letter, or website that outlines the individualized skills and socialization provider's hours of operation, holidays, and a description of activities offered; and

(6) emergency telephone numbers, including the abuse hotline telephone number.

(e) In addition to the list of individuals served as described in §559.231(f)(3) of this subchapter (relating to Surveys and Visits), an individualized skills and socialization provider must also maintain an individual information document that includes:

(1) information on the individualized skills and socialization provider's service delivery method for each individual, such as on-site and off-site, or off-site only;

(2) the individual's name, identification, or clinical record number; and

(3) the date the individual began receiving on-site and off-site, or off-site only individualized skills and socialization services from the provider.

(f) An individualized skills and socialization provider may combine the list of individuals served and the information required for the individual information document into a single document. However, the provider must ensure the combined document meets all requirements of §559.231(f)(3) of this subchapter and subsection (e) of this section.

(g) An individualized skills and socialization provider may maintain records or forms either on the HHSC-prescribed form or on a provider-developed form or template maintained through the provider's own documentation system, whether digital or paper, including electronic health records or other documents maintained for the purpose of compliance with the licensure requirements of this subchapter, unless otherwise specified. Records maintained through the provider's own documentation system must:

(1) contain the same information as the HHSC-prescribed document or form as outlined in this subchapter;

(2) meet the confidentiality and recordkeeping requirements outlined in this subchapter; and

(3) be readily accessible and available for review by HHSC upon request, as required under §559.231(f) of this subchapter.

§559.226. Environmental Safety Requirements.

(a) An individualized skills and socialization provider must ensure the facility interior of the on-site location:

(1) has furnishings that are appropriately maintained and safe for use;

(2) is clean, sanitary, and free of odors that are considered disruptive, unpleasant, or potentially offensive;

(3) is free of infestation by bugs, rodents, and other pests;

(4) has walls, ceilings, floors, and windows that are structurally sound;

(5) is free of environmental contaminants, physical hazards, and accumulated waste or trash;

(6) has bathrooms that are accessible, functional, and safe for use;

(7) has hot water available for use by individuals receiving services that:

(A) is located at sinks in the facility that may be used by individuals receiving services; and

(B) does not exceed 120 degrees Fahrenheit;

(8) has any major appliances maintained in a safe and operational condition necessary to meet the health and safety needs of individuals served by the provider, such as refrigerators for medication storage;

(9) has a secure storage area for cleaning chemicals and supplies that is located separately from any storage area for food items;

(10) has cleaning chemicals that are used in accordance with directions and warnings on the product label and that are stored:

(A) in their original containers; or

(B) in clearly labeled secondary containers with a label that includes, at a minimum, warnings, chemical names, and handling precautions;

(11) has a location where perishable food is either refrigerated or otherwise stored safely; and

(12) has working smoke alarms in all main areas that:

(A) are maintained in accordance with the manufacturer's instructions;

(B) emit a distinguishable audible response that can be heard throughout the facility including classrooms, common areas, and hallways; and

(C) are used solely for the purpose of alerting individuals and service providers of a fire.

(b) When determining whether a violation of the standards outlined in subsection (a)(2) or (3) of this section has occurred, HHSC considers actions taken by the provider to meet the requirements of these standards.

(c) An individualized skills and socialization provider must ensure the interior of the on-site location is serviced by a functioning heating and cooling system.

(1) If the heating and cooling system fails, the provider must ensure temporary alternate methods of heating and cooling are available to individuals, including methods such as using back-up generators or fans that meet state, local, and federal guidelines in the event the system does not work or is in repair.

(2) If alternate methods are not available, the provider must ensure alternate arrangements of service provision or methods of heating and cooling are provided in accordance with the provider's emergency plan, as outlined in §559.229 of this division (relating to Environment and Emergency Response Plan).

(3) The provider must ensure that heating and cooling temperature settings for its system, or any alternate method, are appropriate for maintaining a safe environment for individuals and consider the specific health and safety needs of individuals when determining the appropriate heating and cooling temperature settings.

(d) An individualized skills and socialization provider must ensure the facility exterior of the on-site location:

(1) is free of hazards and the accumulation of waste and trash;

(2) is accessible to individuals receiving services;

(3) does not compromise the health or safety of individuals; and

(4) if applicable, has exterior furnishings that are maintained appropriately and safe for use.

§559.227. Program Requirements.

(a) Staff qualifications.

(1) An individualized skills and socialization provider must:

(A) employ an administrator;

(B) ensure the administrator meets the requirements outlined in paragraph (2) of this subsection; and

(C) have a policy regarding the delegation of responsibility in the administrator's absence.

(2) A service provider of individualized skills and socialization must be at least 18 years of age and:

(A) have a high school diploma or a certificate recognized by a state as the equivalent of a high school diploma; or

(B) have documentation of a proficiency evaluation of experience and competence to perform the job tasks that includes:

(i) a written competency-based assessment of the ability to document service delivery and observations of the individuals receiving services; and

(ii) at least three written personal references from persons not related by blood that indicate the ability to provide a safe, healthy environment for the individuals receiving services.

(3) A service provider of individualized skills and socialization who provides transportation must:

(A) have a valid driver's license; and

(B) transport individuals in a vehicle that:

(i) is insured in accordance with state law; and

(ii) meets all state registration and safety requirements.

(b) Admission and retention of individuals; staffing. An individualized skills and socialization provider must ensure the following.

(1) An individualized skills and socialization provider must not admit an individual whose needs the provider cannot meet. The determination that the provider cannot meet the individual's needs must be based on:

(A) information provided by the program provider regarding the individual's health and safety needs, as documented in the individual plan of care (IPC), individual program plan (IPP), person-directed plan (PDP), and implementation plan, as applicable; and

(B) the provider's availability of trained staff to meet the individual's needs.

(2) An individualized skills and socialization provider must not retain an individual whose needs the provider can no longer meet. The determination that the provider can no longer meet the individual's needs must be based on:

(A) documented reasonable efforts by the individualized skills and socialization provider to meet the individual's needs and discussion with the individual, the individual's LAR, and the program provider, as applicable, regarding the provider's efforts and any identified areas of concern; and

(B) notification to the individual, the individual's LAR, and the program provider, as applicable, prior to discharge, that the individualized skills and socialization provider can no longer meet the individual's needs.

(3) An individualized skills and socialization provider must maintain a ratio of service providers to individuals in accordance with §260.507 of this title (relating to Staffing Ratios), §262.917 of this title (relating to Staffing Ratios for Off-Site Individualized Skills and Socialization), and §263.2017 of this title (relating to Staffing Ratios for Off-Site Individualized Skills and Socialization), during the provision of off-site individualized skills and socialization, including during transportation.

(4) An individualized skills and socialization provider must ensure adequate numbers of appropriately trained staff are on

duty at all times during the provision of on-site individualized skills and socialization to ensure:

(A) the health and safety of the individuals;

(B) the needs and behaviors of the individuals are managed;

(C) supervision is provided in accordance with the needs of an individual; and

(D) individualized skills and socialization services or similar services are provided in accordance with an individual's individual plan of care (IPC), individual program plan (IPP), person-directed plan (PDP), and implementation plan, as applicable.

(c) Staff responsibilities.

(1) The administrator:

(A) manages the individualized skills and socialization services and the on-site individualized skills and socialization location;

(B) ensures staff are trained;

(C) supervises staff; and

(D) maintains all records.

(2) A service provider:

(A) delivers individualized skills and socialization services;

(B) assists with recreational activities;

(C) provides protective supervision through observation and monitoring; and

(D) is trained on the needs of the individual.

(d) An individualized skills and socialization provider must make both on-site and off-site individualized skills and socialization services available to an individual who receives Home and Community-based Services (HCS), Texas Home Living (TxHmL), or Deaf Blind with Multiple Disabilities (DBMD) services, unless the individualized skills and socialization provider provides off-site individualized skills and socialization services only.

(e) An individualized skills and socialization provider must ensure that on-site individualized skills and socialization services:

(1) are provided in a building or a portion of a building that is owned or leased by an individualized skills and socialization provider;

(2) promote an individual's development of skills and behavior that support the individual's independence and personal choice; and

(3) are not provided in:

(A) a prohibited setting for an individual, as set forth in the rules governing Home and Community-based Services (HCBS) waiver programs; or

(B) the residence of an individual or another person.

(f) An individualized skills and socialization provider must ensure that off-site individualized skills and socialization services:

(1) include activities that:

(A) integrate the individual into the community; and

(B) promote the individual's development of skills and behavior that support the individual's independence and personal choice;

(2) are provided in a community setting chosen by the individual from among available community setting options;

(3) include transportation necessary for the individual's participation in off-site individualized skills and socialization; and

(4) are not provided in:

(A) a building in which on-site individualized skills and socialization are provided;

(B) a prohibited setting for an individual, as set forth in the rules governing Home and Community-based Services (HCBS) waiver programs, unless:

(i) provided in an event open to the public; or

(ii) the activity is a volunteer activity performed by an individual in such a setting; or

(C) the residence of an individual or another person, unless the activity is a volunteer activity performed by an individual in the residence.

(g) An individualized skills and socialization provider must:

(1) provide services:

(A) that promote autonomy and positive social interaction;

(B) in accordance with:

(i) the individuals IPC, IPP, PDP, or implementation plan as applicable; and

(ii) the individuals identified health and safety needs, physicians' orders, and goals, as documented and agreed upon by the individual or the individual's legally authorized representative (LAR); and

(2) develop and implement written policies and procedures for consistent and effective monitoring and documentation of an individual's progress towards person-centered objectives related to skill development and socialization, in accordance with the individuals IPC, IPP, PDP, or implementation plan as applicable.

(h) An individualized skills and socialization provider must not require an individual to take a skills test or meet other requirements to receive off-site individualized skills and socialization services.

(i) If an individual does not want to participate in a scheduled on-site or off-site individualized skills and socialization activity, or the individual's LAR does not want the individual to participate in a scheduled on-site or off-site individualized skills and socialization activity, the individualized skills and socialization provider must document the decision not to participate in the individual's record. Documentation is not required if an individual chooses one activity over another during the scheduled on-site or off-site individualized skills and socialization activity.

(j) If an individualized skills and socialization provider becomes aware that a modification or restriction to the services provided is needed based on a specific assessed need of an individual, the individualized skills and socialization provider must:

(1) inform the individual's program provider of the needed modification or restriction;

(2) obtain updated documentation from the program provider outlining the modification or restriction on the individual's person-centered service plan, which includes:

(A) for HCS and TxHmL, the individual's PDP; or

(B) for DBMD, the individual's IPP;

(3) ensure the updated person-centered service plan is received from the program provider and maintained in the individual's record, and that any updates are included on the individual information document as described in §559.225(e) of this division (relating to General Requirements) prior to the implementation of the modification or restriction;

(4) inform service providers of updates to an individual's person-centered service plan; and

(5) ensure the implementation of modifications or restrictions is in accordance with the individual's updated person-centered service plan.

(k) An individualized skills and socialization provider must provide on-site and off-site individualized skills and socialization services in-person.

(l) Training.

(1) Initial training.

(A) An individualized skills and socialization provider must:

(i) provide service providers with training on fire, disaster, and their responsibilities under the emergency response plan developed in accordance with §559.229 of this division (relating to Environment and Emergency Response Plan) within three workdays after the start of employment and document the training in the individualized skills and socialization provider's records; and

(ii) provide service providers with a minimum of eight hours of training during the first three months after the start of employment and document the training in the records of the individualized skills and socialization provider.

(B) The training provided in accordance with subparagraph (A)(ii) of this paragraph must include:

(i) any nationally or locally recognized adult CPR course or certification;

(ii) first aid;

(iii) infection control;

(iv) an overview of the population served by the individualized skills and socialization provider; and

(v) identification and reporting of abuse, neglect, or exploitation.

(2) Ongoing training. In addition to initial training requirements described in paragraph (1)(A) of this subsection, an individualized skills and socialization provider must:

(A) maintain current documentation of each service provider's CPR course completion or certification in CPR;

(B) retrain service providers on their responsibilities under the emergency response plan developed in accordance with §559.229 of this division at least biannually and when the service provider's responsibilities under the plan change;

(C) conduct training for service providers on infection control policies and procedures developed in accordance with subsection (o) of this section at least biannually;

(D) retrain service providers on the population served whenever there is an update to an individual's plan; and

(E) conduct training for service providers on the identification and reporting of abuse, neglect, or exploitation at least biannually.

(m) Medications.

(1) Administration.

(A) If individuals cannot or choose not to self-administer medications, an individualized skills and socialization provider must provide assistance with such medications and the performance of related tasks if:

(i) a registered nurse has assessed the need for assistance and related tasks and delegated such to the individualized skills and socialization provider in accordance with state law and rules; or

(ii) a physician has delegated the assistance and related tasks as a medical act to the individualized skills and socialization provider under Texas Occupations Code Chapter 157, as documented by the physician.

(B) An individualized skills and socialization provider must record an individual's medications, including over-the-counter medications, on the individual's medication profile record and ensure that medication labels are:

(i) original and current;

(ii) easily readable;

(iii) affixed to the corresponding prescription bottle, container, or packaging; and

(iv) include the appropriate accessory and cautionary instructions and prescription expiration date when applicable.

(C) An individualized skills and socialization provider must ensure that information on the medication profile record:

(i) reflects current prescription orders as verified by the pharmacy label or updated healthcare provider order; and

(ii) includes the medication name, strength, dosage, doses received, directions for use, route of administration, prescription number, pharmacy name, and the date each medication was issued by the pharmacy.

(2) General.

(A) An individualized skills and socialization provider must immediately report to an individual's program provider any unusual reactions to a medication or treatment.

(B) When an individualized skills and socialization provider supervises or administers medications, the individualized skills and socialization provider must:

(i) maintain accurate, current, and accessible documentation of medication administration for each individual; and

(ii) document the date and time each medication was taken in accordance with recorded information on the individual's medication profile record.

(C) In the event of a medication error, or if an individual does not receive or take the medication or treatment as prescribed, the individualized skills and socialization provider must:

(i) document the date and time the medication dose should have been administered or provided to the individual; and

(ii) the name and strength of any medication missed.

(3) Storage.

(A) An individualized skills and socialization provider must provide a locked area for all medications, which may include:

(i) a central storage area;

(ii) a medication cart that, when not in use, is secured in the area designated for its storage; or

(iii) for off-site individualized skills and socialization services, a secure, portable, locked container under the direct control of authorized staff at all times.

(B) An individualized skills and socialization provider must store an individual's medication separately from other individuals' medications within the storage area.

(C) An on-site individualized skills and socialization provider must store medication requiring refrigeration in a locked refrigerator used only for medication storage, or in a separate, permanently attached, locked medication storage box in a refrigerator.

(D) An individualized skills and socialization provider must store poisonous substances and medications labeled for "external use only" separately within the locked area.

(E) An on-site individualized skills and socialization provider must store drugs covered by Schedule II of the Controlled Substances Act of 1970 in a locked, permanently attached cabinet, box, or drawer that is separate from the locked storage area for other medications.

(F) An individualized skills and socialization provider must store medications in accordance with manufacturer's instructions, under sanitary conditions, and with consideration of requirements pertaining to temperature, light, moisture, ventilation, segregation, and security.

(G) An individualized skills and socialization provider must ensure that during the provision of off-site individualized skills and socialization services, all medications for which the provider is responsible:

(i) remain in a secure, portable, locked container; and

(ii) remain under the direct control of authorized staff at all times.

(H) An individualized skills and socialization provider must ensure that, during the provision of off-site individualized skills and socialization services, all medications requiring refrigeration:

(i) are maintained at the manufacturer's recommended temperature using a portable, insulated, temperature-controlled container;

(ii) remain under the direct control and supervision of authorized staff at all times; and

(iii) have documented temperature maintenance and chain of custody in accordance with the requirements of this section.

(I) An individualized skills and socialization provider must ensure that, during the provision of off-site individualized skills and socialization services, medications classified as Schedule II under the Controlled Substances Act of 1970:

(i) are stored in a secure, locked container or drawer, separately from medications that are not Schedule II;

(ii) remain under direct control of authorized staff at all times; and

(iii) are handled in accordance with all state and federal requirements for long-term care providers relating to security and safeguarding of Schedule II controlled substances.

(J) An individualized skills and socialization provider must develop written policies and procedures addressing the storage, transportation, administration, and safeguarding of all medications for which the provider is responsible and ensure staff compliance with these policies and procedures. The provider's written policies and procedures must:

(i) designate authorized staff;

(ii) describe security and handling procedures, including off-site transportation and refrigeration;

(iii) specify documentation, accountability, and reporting requirements for discrepancies, loss, or theft; and

(iv) ensure compliance with the requirements of this subsection and any applicable federal requirements relating to the security and safeguarding of Schedule II controlled substances.

(n) Accident, injury, or acute illness.

(1) An individualized skills and socialization provider must stock and maintain in a single location in the on-site individualized skills and socialization location first aid supplies to treat burns, cuts, and poisoning.

(2) An individualized skills and socialization provider delivering off-site individualized skills and socialization must ensure first aid supplies to treat burns, cuts, and poisoning are immediately available at all times during service provision.

(3) In the event of accident or injury to an individual requiring emergency care, or in the event of death of an individual, an individualized skills and socialization provider must:

(A) arrange for emergency care or transfer to an appropriate place for treatment, including:

(i) a physician's office;

(ii) a clinic; or

(iii) a hospital;

(B) immediately notify an individual's program provider with which the individualized skills and socialization provider contracts to provide services to the individual; and

(C) describe and document the accident, injury, or illness on a separate report containing a statement of final disposition and maintain the report on file.

(o) An individualized skills and socialization provider must develop and enforce written policies and procedures for infection control, including spread of disease to ensure staff compliance with state law, the Occupational Safety and Health Administration, and the Centers for Disease Control and Prevention.

§559.228. Rights of Individuals.

(a) An individualized skills and socialization provider must:

(1) provide each individual referenced in Texas Human Resources Code (HRC) §103.011 and the individual's legally authorized representative (LAR), as appropriate, with a written list of the indi-

vidual's rights, as outlined under HRC §102.004 (relating to List of Rights); and

(2) comply with all applicable provisions of HRC Chapter 102 (relating to Rights of the Elderly).

(b) An individualized skills and socialization provider must ensure that individuals are informed of their rights and responsibilities and of grievance procedures in a language they comprehend:

(1) through the individual's preferred mode of communication; and

(2) in a manner accessible to the individual.

(c) An individualized skills and socialization provider must develop and implement written policies and procedures that protect and promote the rights of all individuals receiving services and ensure individuals can exercise their rights without interference, coercion, discrimination, or retaliation from the provider.

(d) An individualized skills and socialization provider must ensure that any deviation from the requirements of this section is based on an assessed need and documented in accordance with the requirements outlined in §559.227(j) of this division (relating to Program Requirements) prior to implementation. This includes an individual's right to:

(1) control and support personal schedules and activities;

(2) access personal food items at any time;

(3) receive visitors of the individual's choosing at any time; and

(4) physically access the building.

(e) An individualized skills and socialization provider must develop and implement policies and procedures for ensuring individuals:

(1) receive support and assistance from the individualized skills and socialization provider in addressing concerns with the program provider regarding the individual plan of care (IPC), individual program plan (IPP), person-directed plan (PDP), or implementation plan when the individual dislikes or disagrees with the services being rendered by the individualized skills and socialization provider;

(2) live free from abuse, neglect, or exploitation;

(3) receive services in a safe and clean environment;

(4) receive services in accordance with the individuals IPC, IPP, PDP, and implementation plan, as applicable, through service providers who are responsive to the needs of the individual;

(5) have privacy during treatment and care of personal needs; and

(6) participate in social, recreational, and group activities.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600194
Karen Ray
Chief Counsel
Health and Human Services Commission
Effective date: February 9, 2026
Proposal publication date: July 25, 2025
For further information, please call: (512) 438-3161

♦ ♦ ♦

DIVISION 4. SURVEYS, INVESTIGATIONS, AND ENFORCEMENT

26 TAC §559.239

STATUTORY AUTHORITY

The repeal is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and §532.0051, which provides HHSC with the authority to administer federal funds and plan and direct the Medicaid program in each agency that operates a portion of the Medicaid program; and Texas Human Resources Code §32.021, which provides that HHSC adopt rules necessary for the proper and efficient operation of the Medicaid program, and §103.004, which requires the executive commissioner of HHSC to adopt rules and set standards implementing Chapter 103.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600195
Karen Ray
Chief Counsel
Health and Human Services Commission
Effective date: February 9, 2026
Proposal publication date: July 25, 2025
For further information, please call: (512) 438-3161

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26 TAC §§559.241, 559.243, 559.253, 559.255, 559.257

STATUTORY AUTHORITY

The amendments and new sections are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and §532.0051, which provides HHSC with the authority to administer federal funds and plan and direct the Medicaid program in each agency that operates a portion of the Medicaid program; and Texas Human Resources Code §32.021, which provides that HHSC adopt rules necessary for the proper and efficient operation of the Medicaid program, and §103.004, which requires the executive commissioner of HHSC to adopt rules and set standards implementing Chapter 103.

§559.253. Administrative Penalties.

(a) The Texas Health and Human Services Commission (HHSC) may impose an administrative penalty if an individualized skills and socialization provider:

(1) fails to comply with Texas Human Resources Code (HRC) Chapter 103 or a rule, standard, or order adopted under HRC Chapter 103;

(2) makes a false statement of a material fact that the provider knows or should know is false:

(A) on an application for a license or a renewal of a license or in an attachment to the application; or

(B) with respect to a matter under investigation by HHSC;

(3) refuses to allow an HHSC representative to inspect:

(A) a book, record, or file required to be maintained by the provider; or

(B) any portion of the premises of the on-site location, or for off-site only providers, the designated place of business where records are kept;

(4) willfully interferes with the work of an HHSC representative who is preserving evidence of a violation of:

(A) HRC Chapter 103;

(B) a rule, standard, or order adopted under HRC Chapter 103; or

(C) a term of a license issued under this chapter;

(5) willfully interferes with the work of an HHSC representative or the enforcement of this chapter;

(6) fails to pay a penalty assessed under HRC Chapter 103, or a rule adopted under this chapter within 30 calendar days after the date the assessment of the penalty becomes final;

(7) fails to notify HHSC of a change of ownership in accordance with §559.211 of this subchapter (relating to Change of Ownership and Notice of Changes); or

(8) fails to submit an approved plan of correction to HHSC within 10 calendar days after receiving the final notification of assessed penalties.

(b) The range of the administrative penalty that may be imposed against the individualized skills and socialization provider each day for a violation described in subsection (a)(1) of this section is based on the scope and severity of the violation and whether it is an initial or repeated violation, as set forth in the following figure.
Figure: 26 TAC §559.253(b)

(c) HHSC imposes administrative penalties in accordance with the schedule of appropriate and graduated penalties established in this section. When determining the amount of an administrative penalty, HHSC considers:

(1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of the situation, and the hazard or potential hazard created by the situation to the health or safety of the public;

(2) the history of previous violations by a facility;

(3) the amount necessary to deter future violations;

(4) the facility's efforts to correct the violation; and

(5) any other matter that justice may require.

(d) If HHSC determines a violation is non-substantial, HHSC allows the individualized skills and socialization provider one opportunity to correct the violation to avoid an administrative penalty.

(e) If HHSC determines a violation is substantial as defined in §559.203 of this subchapter (relating to Definitions), HHSC does not allow the individualized skills and socialization provider an opportunity to correct the violation before HHSC imposes an administrative penalty.

(f) If HHSC imposes an administrative penalty for a violation as described in subsection (a) of this section, the administrative penalty begins accruing:

(1) for a substantial violation, on the date HHSC identifies the violation; or

(2) for a violation that is non-substantial, on the date of the exit conference of the post 45-day follow-up survey.

(g) An administrative penalty accrues each day until the individualized skills and socialization provider completes corrective action for that violation, as determined by HHSC.

(h) If an individualized skills and socialization provider demonstrates the corrective action is complete on the same day an administrative penalty begins accruing, HHSC imposes an administrative penalty for one day.

(i) For an administrative penalty imposed in accordance with subsection (a)(2) of this section:

(1) HHSC imposes the penalty no more than once per survey;

(2) HHSC does not allow the individualized skills and socialization provider an opportunity to correct the action before imposing the penalty; and

(3) the amount of the penalty is $500.

(j) If HHSC imposes an administrative penalty against the individualized skills and socialization provider in accordance with subsection (a)(2) - (8) of this section, HHSC does not, at the same time, impose a closing order or licensure suspension from the program provider for the same violation, action, or failure to act.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 20, 2026.

TRD-202600196
Karen Ray
Chief Counsel
Health and Human Services Commission
Effective date: February 9, 2026
Proposal publication date: July 25, 2025
For further information, please call: (512) 438-3161

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TITLE 37. PUBLIC SAFETY AND CORRECTIONS

PART 5. TEXAS BOARD OF PARDONS AND PAROLES

CHAPTER 145. PAROLE

SUBCHAPTER A. PAROLE PROCESS

37 TAC §145.12

The Texas Board of Pardons and Paroles adopts amendments to 37 TAC Chapter 145, Subchapter A, §145.12 concerning parole process. Section 145.12 is adopted with substantive changes to the proposed text as published in the August 29, 2025, issue of the *Texas Register* (50 TexReg 5667) and will be republished.

No public comments were received regarding adoption of these amendments.

The amended rule is adopted pursuant to Senate Bill 1506, 89th Legislative Session (2025) regarding the reconsideration of parole after the first anniversary date of denial.

No other statutes, articles, or codes are affected by these amendments.

§145.12. Action Upon Review.

A case reviewed by a parole panel for parole consideration may be:

(1) deferred for request and receipt of further information;

(2) denied a favorable parole action at this time and set for review on a future specific month and year (Set-Off).

(A) The next review date (Month/Year) for an offender serving a sentence listed in Section 508.149(a), Government Code, or serving a sentence for second or third degree felony under Section 22.04, Penal Code may be set at any date of after the first anniversary of the date of denial and end before the fifth anniversary of the date of denial; or

(B) If the offender is serving a sentence under Section 481.115, Health and Safety Code, involving a controlled substance listed in Penalty Group 1, or an offense under Section 481.1151, 481.116, 481.1161, 481.117, 481.118, or 481.121, the next review date (Month/Year) may begin as soon as practicable after the first anniversary of the date of denial; or

(C) If the offender is serving a sentence for an offense under Section 22.021, Penal Code, or a life sentence for a capital felony, the next review date begins after the first anniversary of the date of the denial and before the 10th anniversary of the date of denial.

(3) denied parole and ordered serve all, but in no event shall this be utilized if the offender's projected release date is greater than five (5) years for offenders serving sentences listed in Section 508.149(a), Government Code, or serving a sentence for second or third degree felony under Section 22.04 Penal Code; or greater than one year for offenders not serving sentences listed in Section 508.149(a), Government Code. If the serve-all date in effect on the date of the panel decision is extended by more than 180 days, the case shall be placed in regular parole review;

(4) determined the totality of the circumstances favor the offender's release on parole, further investigation (FI) is ordered with the following available voting options; and impose all conditions of parole or release to mandatory supervision that the parole panel is required or authorized by law to impose as a condition of parole or release to mandatory supervision;

(A) FI-1--Release the offender when eligible;

(B) FI-2 (Month/Year)--Release on a specified future date;

(C) FI-3 R--Transfer to a TDCJ rehabilitation program. Release to parole only after program completion;

(D) FI-4 R (Month/Year)--Transfer to a TDCJ rehabilitation program. Release to parole only after program completion and not earlier than four (4) months from specified date. Such TDCJ program shall be the Sex Offender Education Program (SOEP);

(E) FI-5--Transfer to In-Prison Therapeutic Community Program (IPTC). Release to aftercare component only after completion of IPTC program;

(F) FI-6--Transfer to a TDCJ DWI Program. Release to continuum of care program as required by paragraph (5) of this section;

(G) FI-6 R (Month/Year)--Transfer to a TDCJ rehabilitation program. Release to parole only after program completion and no earlier than six (6) months from specified date. Such TDCJ program may include the Pre-Release Therapeutic Community (PRTC), Pre-Release Substance Abuse Program (PRSAP), or In-Prison Therapeutic Community Program, or any other approved program;

(H) FI-7 R (Month/Year)--Transfer to a TDCJ rehabilitation program. Release to parole only after program completion and not earlier than seven (7) months from the specified date. Such TDCJ program shall be the Serious and Violent Offender Reentry Initiative (SVORI);

(I) FI-9 R (Month/Year)--Transfer to a TDCJ rehabilitation program. Release to parole only after program completion and not earlier than nine (9) months from specified date. Such TDCJ program shall be the Sex Offender Treatment Program (SOTP-9);

(J) FI-18 R (Month/Year)--Transfer to a TDCJ rehabilitation treatment program. Release to parole only after program completion and no earlier than 18 months from specified date. Such TDCJ program shall be the Sex Offender Treatment Program (SOTP-18);

(5) any person released to parole after completing a TDCJ rehabilitation program as a prerequisite for parole, must participate in and complete any required post-release program. A parole panel shall require as a condition of release on parole or release to mandatory supervision that an offender who immediately before release is a participant in the program established under Section 501.0931, Government Code, participate as a releasee in a drug or alcohol abuse continuum of care treatment program; or

(6) any offender receiving an FI vote, as listed in paragraph (4)(A) - (J) of this section, shall be placed in a program consistent with the vote. If treatment program managers recommend a different program for an offender, a transmittal shall be forwarded to the parole panel requesting approval to place the offender in a different program.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 23, 2026.

TRD-202600287
Richard Gamboa
Technical Writer
Texas Board of Pardons and Paroles
Effective date: February 12, 2026
Proposal publication date: August 8, 2025
For further information, please call: (512) 406-5309

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PART 13. TEXAS COMMISSION ON FIRE PROTECTION

CHAPTER 435. FIRE FIGHTER SAFETY

37 TAC §435.7

The Texas Commission on Fire Protection (Commission) adopts amendments to 37 TAC §435.7, Fire Fighter Safety, Implementation of Mandatory NFPA Standards. The proposed amendments were published in the *Texas Register* (50 TexReg 7532) on November 21, 2025. The amendments are adopted without changes to the proposed text and will not be republished.

JUSTIFICATION FOR RULE ACTION

The Texas Commission on Fire Protection reviewed §435.7 as part of its statutory rule review process and determined that the rule continues to be necessary to implement mandatory NFPA standards and to allow the Commission to grant limited implementation extensions when appropriate. The rule supports the Commission's responsibility to establish and maintain minimum fire service safety standards statewide.

HOW THE RULE WILL FUNCTION

Section 435.7 establishes requirements for the implementation of mandatory NFPA standards and provides a process for granting extensions when warranted. The rule allows the Commission to ensure consistent application of safety standards while maintaining flexibility for regulated entities to comply within defined timeframes.

SUMMARY OF COMMENTS

No comments were received regarding the proposed amendments.

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §419.008(f) and §419.008(a).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 23, 2026.

TRD-202600289
Mike Wisko
Agency Chief
Texas Commission on Fire Protection
Effective date: February 12, 2026
Proposal publication date: November 21, 2025
For further information, please call: (512) 936-3812

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CHAPTER 437. FEES

37 TAC §437.3

The Texas Commission on Fire Protection (Commission) adopts amendments to 37 Texas Administrative Code, Chapter 437, Fees, §437.3, Certification Application Processing Fees. The amendments are adopted without changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7533). The rule will not be republished.

JUSTIFICATION FOR RULE ACTION

The Commission reviewed §437.3 and determined that the rule continues to be necessary to establish and maintain minimum certification requirements for fire protection personnel in Texas. The adopted amendments support the Commission's statutory responsibility to ensure that fire fighters meet established training and certification standards to protect public safety.

HOW THE RULE WILL FUNCTION

Section 437.3 establishes certification requirements for fire protection personnel and outlines applicable standards necessary for certification eligibility. The adopted amendments allow the Commission to continue administering certification requirements consistently and in accordance with statutory authority.

SUMMARY OF COMMENTS

No comments were received regarding the proposed amendments.

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §419.008(a) and §419.008(f), which authorize the Commission to adopt rules necessary for the administration of its statutory responsibilities.

CROSS-REFERENCE TO STATUTE

Texas Government Code §419.008 and Texas Occupations Code Chapter 55.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on January 26, 2026.

TRD-202600295
Mike Wisko
Agency Chief
Texas Commission on Fire Protection
Effective date: February 15, 2026
Proposal publication date: November 21, 2025
For further information, please call: (512) 936-3812

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Texas

Review Of Agency Rules

This section contains notices of state agency rule review as directed by the Texas Government Code, §2001.039. Included here are proposed rule review notices, which invite public comment to specified rules under review; and adopted rule review notices, which summarize public comment received as part of the review. The complete text of an agency's rule being reviewed is available in the *Texas Administrative Code* on the Texas Secretary of State's website.

For questions about the content and subject matter of rules, please contact the state agency that is reviewing the rules. Questions about the website and printed copies of these notices may be directed to the *Texas Register* office.

Proposed Rule Reviews

Finance Commission of Texas

Title 7, Part 1

On behalf of the Finance Commission of Texas (commission), the Office of Consumer Credit Commissioner files this notice of intention to review and consider for readoption, revision, or repeal, Texas Administrative Code, Title 7, Part 1, Chapter 2, concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner.

This rule review will be conducted pursuant to Texas Government Code, §2001.039. The commission will accept written comments received on or before the 30th day after the date this notice is published in the *Texas Register* as to whether the reasons for adopting these rules continue to exist.

The Office of Consumer Credit Commissioner, which administers these rules, believes that the reasons for adopting the rules contained in this chapter continue to exist. Any questions or written comments pertaining to this notice of intention to review should be directed to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Boulevard, Austin, Texas 78705, or by email to rule.comments@occc.texas.gov. Any proposed changes to the rules as a result of the review will be published in the Proposed Rules Section of the *Texas Register* and will be open for an additional public comment period prior to final adoption or repeal by the commission.

TRD-202600327
Matthew Nance
General Counsel, Office of Consumer Credit Commissioner
Finance Commission of Texas
Filed: January 27, 2026

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Adopted Rule Reviews

Texas Higher Education Coordinating Board

Title 19, Part 1

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 1, Subchapter D, Right to Correction of Incorrect Information, §§1.196 - 1.199.

The proposed notice of review was published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6689). No comments were received regarding the review of this subchapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections no longer exist. Sections 1.196 - 1.199 will be recommended for repeal at the April 2026 meeting in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 1, Subchapter D, as required by the Texas Government Code, §2001.039.

TRD-202600244
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: January 22, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 1, Subchapter T, Workforce Education Course Manual Advisory Committee, §§1.221 - 1.223 and 1.225 without changes, and §§1.220, 1.224, 1.226 with changes as published concurrently with this notice.

The proposed notice of review was published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6689). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 1.221 - 1.223 and 1.225 are readopted, and §§1.220, 1.224, and 1.226 are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 1, Subchapter T, as required by the Texas Government Code, §2001.039.

TRD-202600247
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: January 22, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter B, Teach for Texas Loan Repayment Assistance Program, §23.31 and §23.36 without changes, and §§23.32 - 23.35, with changes as published concurrently with this notice.

The proposed notice of review was published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6689). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Section 23.31 and §23.36, are readopted, and §§23.32 - 23.35, are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter B, as required by the Texas Government Code, §2001.039.

TRD-202600275
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: January 23, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter G, Nursing Faculty Loan Repayment Assistance Program, §§23.186, 23.188, 23.190, and 23.193 without changes, and §23.187 and §23.189 with changes as published concurrently with this notice.

The proposed notice of review was published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6690). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.186, 23.188, 23.190, and 23.193 are readopted, and §23.187 and §23.189 are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter G, as required by the Texas Government Code, §2001.039.

TRD-202600277
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: January 23, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter J, Math and Science Scholars Loan Repayment Assistance Program, §§23.286, 23.293 - 23.295, without changes, and §§23.287 - 23.289 with changes as published concurrently with this notice.

The proposed notice of review was published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6690). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.286, 23.293 - 23.295, are readopted, and §§23.287 - 23.289, are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter J, as required by the Texas Government Code, §2001.039.

TRD-202600279
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: January 23, 2026

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Texas Health and Human Services Commission

Title 26, Part 1

The Texas Health and Human Services Commission (HHSC) adopts the review of the chapter below in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 925, Research Involving Health and Human Services Commission Services

Notice of the review of this chapter was published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7586). HHSC received no comments concerning this chapter.

HHSC has reviewed Chapter 925 in accordance with Texas Government Code §2001.039, which requires state agencies to assess, every four years, whether the initial reasons for adopting a rule continue to exist.

The agency determined that the original reasons for adopting all rules in the chapter continue to exist and readopts Chapter 925. Any amendments, if applicable, to Chapter 925 identified by HHSC in the rule review will be proposed in a future issue of the *Texas Register*.

This concludes HHSC's review of 26 TAC Chapter 925 as required by Texas Government Code §2001.039.

TRD-202600230
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: January 22, 2026

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Graphic images included in rules are published separately in this tables and graphics section. Graphic images are arranged in this section in the following order: Title Number, Part Number, Chapter Number and Section Number.

Graphic images are indicated in the text of the emergency, proposed, and adopted rules by the following tag: the word "Figure" followed by the TAC citation, rule number, and the appropriate subsection, paragraph, subparagraph, and so on.

Figure: 26 TAC §559.253(b)

SCOPE AND SEVERITY GRID FOR ADMINISTRATIVE PENALTIES			
	ISOLATED	**PATTERN**	**WIDESPREAD**
Immediate threat	**Substantial=NRTC**	**Substantial=NRTC**	**Substantial=NRTC**
	J	**K**	**L**
Initial	$350--$500	$400--$500	$450--$500
Repeat	$350--$500	$400--$500$	$450--$500
Actual harm	**Substantial=NRTC**	**Substantial=NRTC**	**Substantial=NRTC**
	G	**H**	**I**
Initial	$250--$500	$300--$500	$350--$500
Repeat	$350--$500	$400--$500	$450--$500
No actual harm with a potential for more than minimal harm	**Non-Substantial=RTC**	**Non-Substantial=RTC**	**Substantial=NRTC**
	D	**E**	**F**
Initial	$100--$300	$150--$300	$200--$300
Repeat	$100--$400	$150--$400	$200--$400
No actual harm	**Non-Substantial=RTC**	**Non-Substantial=RTC**	**Non-Substantial=RTC**
	A	**B**	**C**
Initial	$0--$0	$0--$0	$0--$0
Repeat	$0--$0	$0--$0	$0--$0

IN ADDITION

The *Texas Register* is required by statute to publish certain documents, including applications to purchase control of state banks, notices of rate ceilings issued by the Office of Consumer Credit Commissioner, and consultant proposal requests and awards. State agencies also may publish other notices of general interest as space permits.

Comptroller of Public Accounts

Gas and Oil Notice 2025-12

Certification of the Average Closing Price of Gas and Oil- December 2025

The Comptroller of Public Accounts, administering agency for the collection of the Oil Production Tax, has determined, as required by Tax Code, §202.058, that the average taxable price of oil for reporting period December 2025 is $36.52 per barrel for the three-month period beginning on September 1, 2025, and ending November 30, 2025. Therefore, pursuant to Tax Code, §202.058, oil produced during the month of December 2025, from a qualified low-producing oil lease, is not eligible for credit on the oil production tax imposed by Tax Code, Chapter 202. Due to a lack of consumer price index (CPI) data for October 2025, the Comptroller utilized the CPI data from September 2025 when calculating the 2005 price for the month of October 2025.

The Comptroller of Public Accounts, administering agency for the collection of the Natural Gas Production Tax, has determined, as required by Tax Code, §201.059, that the average taxable price of gas for reporting period December 2025 is $1.42 per mcf for the three-month period beginning on September 1, 2025, and ending November 30, 2025. Therefore, pursuant to Tax Code, §201.059, gas produced during the month of December 2025, from a qualified low-producing well, is eligible for a 100% credit on the natural gas production tax imposed by Tax Code, Chapter 201. Due to a lack of consumer price index (CPI) data for October 2025, the Comptroller utilized the CPI data from September 2025 when calculating the 2005 price for the month of October 2025.

The Comptroller of Public Accounts, administering agency for the collection of the Franchise Tax, has determined, as required by Tax Code, §171.1011(s), that the average closing price of West Texas Intermediate crude oil for the month of December 2025 is $57.85 per barrel. Therefore, pursuant to Tax Code, §171.1011(r), a taxable entity shall not exclude total revenue received from oil produced during the month of December 2025, from a qualified low-producing oil well.

The Comptroller of Public Accounts, administering agency for the collection of the Franchise Tax, has determined, as required by Tax Code, §171.1011(s), that the average closing price of gas for the month of December 2025 is $4.34 per MMBtu. Therefore, pursuant to Tax Code, §171.1011(r), a taxable entity shall exclude total revenue received from gas produced during the month of December 2025, from a qualified low-producing gas well.

Inquiries should be submitted to Jenny Burleson, Director, Tax Policy Division, P.O. Box 13528, Austin, Texas 78711-3528.

Issued in Austin, Texas, on January 23, 2026.

TRD-202600281
Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
Filed: January 23, 2026

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Office of Consumer Credit Commissioner

Notice of Rate Ceilings

The Consumer Credit Commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in §303.003, and §303.009, Texas Finance Code.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 02/02/26 - 02/08/26 is 18.00% for consumer[1] credit.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 02/02/26 - 02/08/26 is 18.00% for commercial[2] credit.

[1] Credit for personal, family, or household use.

[2] Credit for business, commercial, investment, or other similar purpose.

TRD-202600325
Leslie L. Pettijohn
Commissioner
Office of Consumer Credit Commissioner
Filed: January 27, 2026

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Texas Commission on Environmental Quality

Agreed Orders

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) staff is providing an opportunity for written public comment on the listed Agreed Orders (AOs) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075 requires that before the commission may approve the AOs, the commission shall allow the public an opportunity to submit written comments on the proposed AOs. TWC, §7.075 requires that notice of the proposed orders and the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **March 10, 2026**. TWC, §7.075 also requires that the commission promptly consider any written comments received and that the commission may withdraw or withhold approval of an AO if a comment discloses facts or considerations that indicate that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed AO is not required to be published if those changes are made in response to written comments.

A physical copy of each proposed AO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building C, 1st Floor, Austin, Texas 78753, (512) 239-2545 and at the applicable regional office listed as follows. Additionally, copies of the proposed AO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed AO's identifying information, such as its docket number. Written comments about an AO should be sent to the enforcement coordinator designated for

each AO at the commission's central office at Enforcement Division, MC 128, P.O. Box 13087, Austin, Texas 78711-3087 and must be postmarked by 5:00 p.m. on **March 10, 2026**. Written comments may also be sent to the enforcement coordinator by email to ENFCOMNT@tceq.texas.gov or by facsimile machine at (512) 239-2550. The commission enforcement coordinators are available to discuss the AOs and/or the comment procedure at the listed contact information; however, TWC, §7.075 provides that comments on the AOs shall be submitted to the commission in writing.

(1) COMPANY: Aqua Texas, Inc.; DOCKET NUMBER: 2025-1496-PWS-E; IDENTIFIER: RN101199495; LOCATION: Huffman, Harris County; TYPE OF FACILITY: public water supply; PENALTY: $2,400; ENFORCEMENT COORDINATOR: Taner Hengst, (512) 239-1143; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(2) COMPANY: City of Blanco; DOCKET NUMBER: 2025-0638-PWS-E; IDENTIFIER: RN101389047; LOCATION: Blanco, Blanco County; TYPE OF FACILITY: public water supply; PENALTY: $1,400; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(3) COMPANY: City of College Station; DOCKET NUMBER: 2025-0943-MWD-E; IDENTIFIER: RN101608362; LOCATION: College Station, Brazos County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $140,000; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $112,000; ENFORCEMENT COORDINATOR: Madison Crawford, (512) 239-4603; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(4) COMPANY: City of Lago Vista; DOCKET NUMBER: 2024-1767-MWD-E; IDENTIFIER: RN101609683; LOCATION: Lago Vista, Travis County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $13,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $10,800; ENFORCEMENT COORDINATOR: Taylor Williamson, (512) 239-2097; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(5) COMPANY: City of Shavano Park; DOCKET NUMBER: 2025-0930-PWS-E; IDENTIFIER: RN101217164; LOCATION: Shavano Park, Bexar County; TYPE OF FACILITY: public water supply; PENALTY: $1,063; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $851; ENFORCEMENT COORDINATOR: Ronica Rodriguez, (512) 239-2510; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(6) COMPANY: Coke County Water Supply Corporation; DOCKET NUMBER: 2025-1230-PWS-E; IDENTIFIER: RN101220820; LOCATION: Robert Lee, Coke County; TYPE OF FACILITY: public water supply; PENALTY: $1,775; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(7) COMPANY: Corrigan OSB, L.L.C.; DOCKET NUMBER: 2025-1025-AIR-E; IDENTIFIER: RN107922510; LOCATION: Corrigan, Polk County; TYPE OF FACILITY: reconstituted wood product manufacturing plant; PENALTY: $15,000; ENFORCEMENT COORDINATOR: Christina Ferrara, (512) 239-5081; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(8) COMPANY: Cypress Valley Water Supply Corporation; DOCKET NUMBER: 2025-1029-PWS-E; IDENTIFIER: RN101436616; LOCATION: Woodlawn, Harrison County; TYPE OF FACILITY: public water supply; PENALTY: $1,775; ENFORCEMENT COORDINATOR: Katherine Argueta, (512) 239-4131; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(9) COMPANY: GUADALUPE'S BEST RV RIVER RESORT AND RESTAURANT, LTD.; DOCKET NUMBER: 2025-0991-PWS-E; IDENTIFIER: RN112215199; LOCATION: Canyon Lake, Comal County; TYPE OF FACILITY: public water supply; PENALTY: $3,556; ENFORCEMENT COORDINATOR: Tessa Bond, (512) 239-1269; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(10) COMPANY: GUEBARA, JESSE JR; DOCKET NUMBER: 2026-0031-WOC-E; IDENTIFIER: RN112307079; LOCATION: Stamford, Jones County; TYPE OF FACILITY: operator; PENALTY: $175; ENFORCEMENT COORDINATOR: Savannah Jackson, (512) 239-4306; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(11) COMPANY: Grand Castle Water Supply Corporation; DOCKET NUMBER: 2025-1139-PWS-E; IDENTIFIER: RN101181550; LOCATION: Plainview, Hale County; TYPE OF FACILITY: public water supply; PENALTY: $208; ENFORCEMENT COORDINATOR: Obianuju Iyasele, (512) 239-5280; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(12) COMPANY: Greenwood Water Corporation; DOCKET NUMBER: 2025-1016-MLM-E; IDENTIFIER: RN101439040; LOCATION: Midland, Midland County; TYPE OF FACILITY: public water supply; PENALTY: $31,859; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $12,744; ENFORCEMENT COORDINATOR: Ryan Byer, (512) 239-2571; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(13) COMPANY: Heriberto Perez and Hortencia Perez; DOCKET NUMBER: 2025-1034-IHW-E; IDENTIFIER: RN112219373; LOCATION: Hidalgo, Hidalgo County; TYPE OF FACILITY: unauthorized industrial and hazardous waste disposal site; PENALTY: $12,500; ENFORCEMENT COORDINATOR: Eresha DeSilva, (713) 767-3669; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(14) COMPANY: KAG Energy, LLC; DOCKET NUMBER: 2026-0057-WQ-E; IDENTIFIER: RN101265551; LOCATION: Live Oak, Bexar County; TYPE OF FACILITY: operator; PENALTY: $875; ENFORCEMENT COORDINATOR: Amy Lane, (512) 239-2614; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(15) COMPANY: Ketjen Limited Liability Company; DOCKET NUMBER: 2024-1359-AIR-E; IDENTIFIER: RN100218247; LOCATION: Pasadena, Harris County; TYPE OF FACILITY: organic chemical manufacturing plant; PENALTY: $12,075; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $4,830; ENFORCEMENT COORDINATOR: Krystina Sepulveda, (956) 430-6045; REGIONAL OFFICE: 1804 West Jefferson Avenue, Harlingen, Texas 78550-5247, REGION 15 - HARLINGEN.

(16) COMPANY: Lake LBJ Water Control & Improvement District No. 1; DOCKET NUMBER: 2020-0441-MWD-E; IDENTIFIER: RN106536071; LOCATION: Burnet, Burnet County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $21,250; EN-

FORCEMENT COORDINATOR: Derek Osborn, (512) 239-0353; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(17) COMPANY: Lone Star Industries, Inc.; DOCKET NUMBER: 2025-0807-AIR-E; IDENTIFIER: RN100220847; LOCATION: Maryneal, Nolan County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $4,100; ENFORCEMENT COORDINATOR: John Burkett, (512) 239-4169; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(18) COMPANY: Patterson Water Supply, LLC; DOCKET NUMBER: 2025-1099-PWS-E; IDENTIFIER: RN102693579; LOCATION: Sunset, Montague County; TYPE OF FACILITY: public water supply; PENALTY: $5,725; ENFORCEMENT COORDINATOR: Wyatt Throm, (512) 239-1120; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(19) COMPANY: PPRC 2 Inc; DOCKET NUMBER: 2025-0969-PST-E; IDENTIFIER: RN102271616; LOCATION: Seguin, Guadalupe County; TYPE OF FACILITY: operator; PENALTY: $2,625; ENFORCEMENT COORDINATOR: Rachel Murray, (903) 535-5149; REGIONAL OFFICE: 2916 Teague Drive, Tyler, Texas 75701-3734, REGION 05 - TYLER.

(20) COMPANY: Quadvest, L.P.; DOCKET NUMBER: 2025-0738-MWD-E; IDENTIFIER: RN101529352; LOCATION: Conroe, Montgomery County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $4,938; ENFORCEMENT COORDINATOR: Harley Hobson, (512) 239-1337; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(21) COMPANY: SWAIM, DONALD KENNETH; DOCKET NUMBER: 2024-1452-PWS-E; IDENTIFIER: RN101237600; LOCATION: Granbury, Hood County; TYPE OF FACILITY: public water supply; PENALTY: $50; ENFORCEMENT COORDINATOR: Ronica Rodriguez, (512) 239-2510; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(22) COMPANY: Sekisui Specialty Chemicals America, LLC; DOCKET NUMBER: 2024-0906-AIR-E; IDENTIFIER: RN103012183; LOCATION: Pasadena, Harris County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $49,611; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $19,844; ENFORCEMENT COORDINATOR: Raven Daigle, (713) 767-3634; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(23) COMPANY: Stolthaven Houston, Inc.; DOCKET NUMBER: 2025-1539-AIR-E; IDENTIFIER: RN100210475; LOCATION: Houston, Harris County; TYPE OF FACILITY: bulk liquids storage and distribution terminal; PENALTY: $13,125; ENFORCEMENT COORDINATOR: John Burkett, (512) 239-4169; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(24) COMPANY: Tarrant County Hospital District; DOCKET NUMBER: 2025-1280-PST-E; IDENTIFIER: RN106397623; LOCATION: Fort Worth, Tarrant County; TYPE OF FACILITY: emergency generator; PENALTY: $6,000; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(25) COMPANY: Terra Enterprises, LLC; DOCKET NUMBER: 2025-1206-AIR-E; IDENTIFIER: RN111002242; LOCATION: Gunter, Grayson County; TYPE OF FACILITY: permanent concrete batch plant; PENALTY: $12,188; ENFORCEMENT COORDINATOR: Johnnie Wu, (512) 239-2524; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(26) COMPANY: Texas Water Utilities, L.P.; DOCKET NUMBER: 2025-0501-MWD-E; IDENTIFIER: RN102184090; LOCATION: Magnolia, Montgomery County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $8,625; ENFORCEMENT COORDINATOR: Kolby Farren, (512) 239-2098; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(27) COMPANY: Texas Water Utilities, L.P.; DOCKET NUMBER: 2025-1135-PWS-E; IDENTIFIER: RN101211126; LOCATION: Lometa, Lampasas County; TYPE OF FACILITY: public water supply; PENALTY: $2,500; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(28) COMPANY: ZIPS CAR WASH, LLC; DOCKET NUMBER: 2025-0710-WQ-E; IDENTIFIER: RN111954681; LOCATION: Dripping Springs, Hays County; TYPE OF FACILITY: car wash; PENALTY: $8,812; ENFORCEMENT COORDINATOR: Madison Travis, (512) 239-4687; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

TRD-202600298
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Enforcement Orders

An agreed order was adopted regarding Ryan C. Hoerauf, Inc., Docket No. 2023-0499-AIR-E on January 27, 2026 assessing $3,750 in administrative penalties with $750 deferred. Information concerning any aspect of this order may be obtained by contacting Mackenzie Mehlmann, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding San Jacinto County, Docket No. 2023-1508-MSW-E on January 27, 2026 assessing $7,975 in administrative penalties with $1,595 deferred. Information concerning any aspect of this order may be obtained by contacting Stephanie McCurley, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Dallas Independent School District, Docket No. 2024-0015-PST-E on January 27, 2026 assessing $7,750 in administrative penalties with $1,550 deferred. Information concerning any aspect of this order may be obtained by contacting Rachel Murray, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

A field citation was adopted regarding Basu Bhandari, Docket No. 2024-0864-PST-E on January 27, 2026 assessing $2,625 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Elizabeth Vanderwerken, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Joyce Todd dba Colemans, Docket No. 2024-0865-PST-E on January 27, 2026 assessing $9,875 in administrative penalties with $1,975 deferred. Information concerning any aspect of this order may be obtained by contacting Ramyia Wendt,

Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding EagleClaw Midstream Ventures, LLC, Docket No. 2024-1089-AIR-E on January 27, 2026 assessing $5,813 in administrative penalties with $1,162 deferred. Information concerning any aspect of this order may be obtained by contacting Trenton White, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding GILVIN-TERRILL, LTD., Docket No. 2024-1766-WQ-E on January 27, 2026 assessing $9,000 in administrative penalties with $1,800 deferred. Information concerning any aspect of this order may be obtained by contacting Kolby Farren, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

A field citation was adopted regarding Texas Instruments Incorporated, Docket No. 2024-1954-PST-E on January 27, 2026 assessing $2,625 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Adriana Fuentes, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding L&M Golf Range LLC, Docket No. 2024-1967-WR-E on January 27, 2026 assessing $3,600 in administrative penalties with $720 deferred. Information concerning any aspect of this order may be obtained by contacting Matthew DeVay, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding FUTUREWISE BUSINESS INC dba 146 Travel Center, Docket No. 2025-0132-PST-E on January 27, 2026 assessing $3,476 in administrative penalties with $695 deferred. Information concerning any aspect of this order may be obtained by contacting Rachel Murray, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding KWIKIE GROCERY, INC. dba Kwikie 2, Docket No. 2025-0135-PST-E on January 27, 2026 assessing $9,731 in administrative penalties with $1,946 deferred. Information concerning any aspect of this order may be obtained by contacting Celicia Garza, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Lakeion LLC dba Windsong MH and RV Park, Docket No. 2025-0227-PWS-E on January 27, 2026 assessing $1,885 in administrative penalties with $377 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding MAC Materials, LLC, Docket No. 2025-0235-AIR-E on January 27, 2026 assessing $4,500 in administrative penalties with $900 deferred. Information concerning any aspect of this order may be obtained by contacting Trenton White, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Kevin Wilson dba Bullocks Mobile Home Park, Docket No. 2025-0268-PWS-E on January 27, 2026 assessing $50 in administrative penalties with $10 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Oakmont Village / Saddle Mountain Water Supply Corporation, Docket No. 2025-0270-MLM-E on January 27, 2026 assessing $550 in administrative penalties with $110 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding BRAMMER PIPE AND STEEL, INC., Docket No. 2025-0281-MSW-E on January 27, 2026 assessing $6,563 in administrative penalties with $1,312 deferred. Information concerning any aspect of this order may be obtained by contacting Celicia Garza, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding CSWR-Texas Utility Operating Company, LLC, Docket No. 2025-0303-PWS-E on January 27, 2026 assessing $9,425 in administrative penalties with $1,885 deferred. Information concerning any aspect of this order may be obtained by contacting Savannah Jackson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding THRC Utility, LLC, Docket No. 2025-0380-MWD-E on January 27, 2026 assessing $11,456 in administrative penalties with $2,291 deferred. Information concerning any aspect of this order may be obtained by contacting Samantha Smith, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Rhome Estates LLC dba SUN RIDGE RV PARK, Docket No. 2025-0456-PWS-E on January 27, 2026 assessing $4,257 in administrative penalties with $851 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding LUCKY HOMES RV PARK LLC, Docket No. 2025-0509-PWS-E on January 27, 2026 assessing $1,739 in administrative penalties with $347 deferred. Information concerning any aspect of this order may be obtained by contacting Katherine McKinney, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Singh & Toor Enterprise LLC dba Four Corner Conoco, Docket No. 2025-0549-PST-E on January 27, 2026 assessing $10,375 in administrative penalties with $2,075 deferred. Information concerning any aspect of this order may be obtained by contacting Eresha DeSilva, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding EnLink North Texas Gathering, LP, Docket No. 2025-0568-AIR-E on January 27, 2026 assessing $3,538 in administrative penalties with $707 deferred. Information concerning any aspect of this order may be obtained by contacting John Burkett, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Forsan, Docket No. 2025-0608-PWS-E on January 27, 2026 assessing $3,750 in adminis-

trative penalties with $749 deferred. Information concerning any aspect of this order may be obtained by contacting Wyatt Throm, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding OLD 90 MARINA LLC and GULF PUMP PROPERTIES LLC, Docket No. 2025-0633-PWS-E on January 27, 2026 assessing $6,250 in administrative penalties with $1,250 deferred. Information concerning any aspect of this order may be obtained by contacting Tessa Bond, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Moran, Docket No. 2025-0643-PWS-E on January 27, 2026 assessing $3,402 in administrative penalties with $2,820 deferred. Information concerning any aspect of this order may be obtained by contacting Katherine Argueta, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding BST Senior Living West, Inc., Docket No. 2025-0717-PWS-E on January 27, 2026 assessing $3,300 in administrative penalties with $660 deferred. Information concerning any aspect of this order may be obtained by contacting Ronica Rodriguez Scott, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Aqua Texas, Inc., Docket No. 2025-0769-PWS-E on January 27, 2026 assessing $50 in administrative penalties with $10 deferred. Information concerning any aspect of this order may be obtained by contacting Kaisie Hubschmitt, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Ramirez Stone & Masonry LLC, Docket No. 2025-0826-WQ-E on January 27, 2026 assessing $9,875 in administrative penalties with $1,975 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Aqua Texas, Inc., Docket No. 2025-0865-PWS-E on January 27, 2026 assessing $800 in administrative penalties with $160 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding South Texas Council, Inc., Boy Scouts of America, Docket No. 2025-0924-PWS-E on January 27, 2026 assessing $500 in administrative penalties with $100 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Comanche, Docket No. 2025-0927-PWS-E on January 27, 2026 assessing $3,570 in administrative penalties with $714 deferred. Information concerning any aspect of this order may be obtained by contacting Anjali Talpallikar, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Aqua Texas, Inc., Docket No. 2025-1015-PWS-E on January 27, 2026 assessing $1,500 in administrative penalties with $300 deferred. Information concerning any aspect of this order may be obtained by contacting Ilia Perez-Ramirez, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Eagle Railcar Services - Channelview, Texas, LLC, Docket No. 2025-1086-AIR-E on January 27, 2026 assessing $4,750 in administrative penalties with $950 deferred. Information concerning any aspect of this order may be obtained by contacting John Burkett, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Forestar Real Estate Group Inc., Docket No. 2025-1196-WQ-E on January 27, 2026 assessing $1,063 in administrative penalties with $212 deferred. Information concerning any aspect of this order may be obtained by contacting Madison Travis, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Brazoria County Municipal Utility District 21, Docket No. 2025-1246-PWS-E on January 27, 2026 assessing $1,000 in administrative penalties with $200 deferred. Information concerning any aspect of this order may be obtained by contacting Taner Hengst, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding MIDWAY WATER UTILITIES, INC., Docket No. 2025-1316-MWD-E on January 27, 2026 assessing $10,625 in administrative penalties with $2,125 deferred. Information concerning any aspect of this order may be obtained by contacting Taylor Williamson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

TRD-202600339
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 28, 2026

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Enforcement Orders

An agreed order was adopted regarding Francisco Rojas dba Galaxy Tires, Docket No. 2021-1448-MSW-E on January 28, 2026 assessing $45,750 in administrative penalties with $42,150 deferred. Information concerning any aspect of this order may be obtained by contacting Taylor Pearson, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Bowles Sand & Gravel, Inc., Docket No. 2022-0405-WQ-E on January 28, 2026 assessing $72,789 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting William Hogan, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding RV Retailer Texas II Real Estate, LLC, Docket No. 2022-0850-EAQ-E on January 28, 2026 assessing $13,500 in administrative penalties with $2,700 deferred. Information concerning any aspect of this order may be obtained by contacting Jasmine Jimerson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding OCI Beaumont LLC, Docket No. 2022-1611-AIR-E on January 28, 2026 assessing $66,750 in ad-

ministrative penalties. Information concerning any aspect of this order may be obtained by contacting Yuliya Dunaway, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Texas Department of Criminal Justice, Docket No. 2023-0537-MWD-E on January 28, 2026 assessing $36,750 in administrative penalties with $7,350 deferred. Information concerning any aspect of this order may be obtained by contacting Harley Hobson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Molded Fiber Glass Companies/Texas LLC, Docket No. 2023-1305-AIR-E on January 28, 2026 assessing $23,750 in administrative penalties with $4,750 deferred. Information concerning any aspect of this order may be obtained by contacting Yuliya Dunaway, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding INEOS Americas LLC, successor to Equistar Chemicals, LP, Docket No. 2023-1433-AIR-E on January 28, 2026 assessing $25,000 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Krystina Sepulveda, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Clayton Clark dba All American Sand and Gravel, Docket No. 2023-1671-WQ-E on January 28, 2026 assessing $13,500 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Taylor Pack Ellis, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding M & H Manufacturing, Inc., Docket No. 2023-1672-WQ-E on January 28, 2026 assessing $14,525 in administrative penalties with $2,905 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding FOREST GLEN, INC., Docket No. 2024-0057-MWD-E on January 28, 2026 assessing $18,687 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Taylor Williamson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Melissa McWhirter-Wiley, Docket No. 2024-0111-WQ-E on January 28, 2026 assessing $13,125 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Taylor Pearson, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Moriah TFS Operations, LLC, Docket No. 2024-0170-MLM-E on January 28, 2026 assessing $16,000 in administrative penalties with $3,200 deferred. Information concerning any aspect of this order may be obtained by contacting Monica Larina, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Scout Energy Management LLC, Docket No. 2024-0305-AIR-E on January 28, 2026 assessing $108,301 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Johnnie Wu, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Aqua Texas, Inc., Docket No. 2024-0328-MWD-E on January 28, 2026 assessing $28,968 in administrative penalties with $5,793 deferred. Information concerning any aspect of this order may be obtained by contacting Harley Hobson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Anahuac and Trinity Bay Conservation District, Docket No. 2024-0513-MWD-E on January 28, 2026 assessing $13,500 in administrative penalties with $2,700 deferred. Information concerning any aspect of this order may be obtained by contacting Taylor Williamson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding DCP Operating Company, LP, Docket No. 2024-0986-AIR-E on January 28, 2026 assessing $12,688 in administrative penalties with $2,537 deferred. Information concerning any aspect of this order may be obtained by contacting Michael Wilkins, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding OCI Beaumont LLC, Docket No. 2024-1153-AIR-E on January 28, 2026 assessing $38,250 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Yuliya Dunaway, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Indorama Ventures Oxides LLC, Docket No. 2024-1356-AIR-E on January 28, 2026 assessing $22,209 in administrative penalties with $4,441 deferred. Information concerning any aspect of this order may be obtained by contacting Caleb Martin, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Targa Pipeline Mid-Continent WestTex LLC, Docket No. 2024-1446-AIR-E on January 28, 2026 assessing $22,500 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Christina Ferrara, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Indorama Ventures Oxides LLC, Docket No. 2024-1607-AIR-E on January 28, 2026 assessing $21,150 in administrative penalties with $4,230 deferred. Information concerning any aspect of this order may be obtained by contacting Caleb Martin, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Lueders, Docket No. 2025-0301-PWS-E on January 28, 2026 assessing $1,375 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Hilda Iyasele, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Norit Americas, Inc., Docket No. 2025-0326-WQ-E on January 28, 2026 assessing $21,166 in administrative penalties with $4,233 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Com-

mission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Byers, Docket No. 2025-0424-PWS-E on January 28, 2026 assessing $1,250 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Savannah Jackson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Austin Wood Recycling, Inc., Docket No. 2025-0571-AIR-E on January 28, 2026 assessing $13,500 in administrative penalties with $2,700 deferred. Information concerning any aspect of this order may be obtained by contacting Johnnie Wu, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Vopak Logistic Services USA Inc., Docket No. 2025-0750-IWD-E on January 28, 2026 assessing $26,000 in administrative penalties with $5,200 deferred. Information concerning any aspect of this order may be obtained by contacting Samantha Smith, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Lonestar Fiberglass Components of Texas, LLC, Docket No. 2025-0998-AIR-E on January 28, 2026 assessing $35,700 in administrative penalties with $7,140 deferred. Information concerning any aspect of this order may be obtained by contacting Nicholas Lohret-Froio, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding INEOS USA LLC, Docket No. 2025-1165-AIR-E on January 28, 2026 assessing $16,250 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Morgan Kopcho, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

TRD-202600342
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 28, 2026

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Notice of an Application to Amend a Certificate of Adjudication Application No. 19-2165C

Notice Issued January 22, 2026

Estate of Henry William Finck, 8710 Cedarspur Dr., Houston, Texas 77055, seeks to amend Certificate of Adjudication No. 19-2165 to add a diversion reach along the San Antonio River, to add mining use, and to add a place of use for mining and agricultural use in those portions of Wilson and Karnes counties within the San Antonio River Basin. More information on the application and how to participate in the permitting process is given below.

The application and partial fees were received on January 6, 2020. Additional information and fees were received on March 23 and April 15, 2020. The application was declared administratively complete and accepted for filing with the Office of the Chief Clerk on April 27, 2020.

The Executive Director completed the technical review of the application and prepared a draft amendment. The draft amendment, if granted, would contain special conditions including, but not limited to, additional streamflow restrictions. The application, technical memoranda, and Executive Director's draft amendment are available for viewing on the TCEQ webpage at: https://www.tceq.texas.gov/permitting/water_rights/wr-permitting/view-wr-pend-apps. Alternatively, you may request a copy of the documents by contacting the TCEQ Office of the Chief Clerk by phone at (512) 239-3300 or by mail at TCEQ OCC, Notice Team (MC-105), P.O. Box 13087, Austin, Texas 78711.

Written public comments and requests for a public meeting should be submitted to the Office of the Chief Clerk, at the address provided in the information section below by February 5, 2026. A public meeting is intended for the taking of public comment and is not a contested case hearing. A public meeting will be held if the Executive Director determines that there is a significant degree of public interest in the application.

The TCEQ may grant a contested case hearing on this application if a written hearing request is filed by February 5, 2026. The Executive Director can consider an approval of the application unless a written request for a contested case hearing is filed by February 5, 2026.

To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) applicant's name and permit number; (3) the statement "[I/we] request a contested case hearing;" (4) a brief and specific description of how you would be affected by the application in a way not common to the general public; and (5) the location and distance of your property relative to the proposed activity. You may also submit proposed conditions for the requested permit which would satisfy your concerns. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below.

If a hearing request is filed, the Executive Director will not issue the permit and will forward the application and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

Written hearing requests, public comments or requests for a public meeting should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at https://www14.tceq.texas.gov/epic/eComment/ by entering ADJ 2165 in the search field. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address.

For additional information, individual members of the general public may contact the Public Education Program at (800) 687-4040. General information regarding the TCEQ can be found at our website at http://www.tceq.texas.gov./ Si desea información en español, puede llamar al (800) 687-4040 o por el internet al http://www.tceq.texas.gov.

TRD-202600330
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of District Petition - D-01052026-005

Notice issued January 22, 2026

TCEQ Internal Control No. D-01052026-005: JPCT HOLDINGS LLC, a Texas limited liability company, WALNUT CREEK LB, LP, a Texas limited partnership, John P. Murdock III, and Gregory Muzny (Petitioners) filed a petition for creation of Walnut Creek Municipal Utility District of Montgomery County (District) with the Texas Com-

mission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioners hold title to a majority in value of the land to be included in the proposed District; (2) there is one lienholder, Stellar Bank, on the property to be included in the proposed District and the aforementioned entity has consented to the petition; (3) the proposed District will contain approximately 130.289 acres of land located within Montgomery County, Texas; and (4) none of the land to be included within the proposed district is located within corporate limits or extraterritorial jurisdiction of any city. The petition further states that the work proposed to be done by the District at the present time is to purchase, construct, acquire, provide, operate, maintain, repair, improve, or extend, inside or outside of its boundaries, any and all works, improvements, facilities, systems, plants, equipment, and appliances necessary or helpful to supply and distribute water for municipal, domestic, industrial, and commercial purposes; to collect, transport, process, dispose of, and control domestic, industrial, and commercial wastes; to gather, conduct, divert, abate, amend, and control local storm water or other local harmful excesses of water or provide adequate drainage in the District; and to purchase, construct, acquire, provide, operate, maintain, repair, improve, or extend, inside or outside of its boundaries, such additional facilities, systems, plants, equipment, appliances, and enterprises as shall be consonant with the purposes for which the District is created, all as more particularly described in an engineer's report filed simultaneously with the filing of this Petition, to which reference is hereby made for a more detailed description. Additional work and services which may be performed by the District include the purchase, construction, acquisition, provision, operation, maintenance, repair, improvement, extension, and development of a roadway system. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioners that the cost of said project will be approximately $27,665,942. The financial analysis in the application was based on an estimated $34,950,000 ($24,500,000 for water, wastewater, and drainage, $8,750,000 for roads, and $1,700,000) at the time of submittal.

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing request is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202600332
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of District Petition - D-12162025-023

Notice issued January 21, 2026

TCEQ Internal Control No. D-12162025-023: Cherukuru Investments, LLC, a Texas limited liability company (Petitioner) filed a petition for the creation of Rocky Creek Ranch Municipal Utility District No. 1 (District) of Kaufman and Van Zandt Counties with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioner holds title to a majority of value of the land to be included in the proposed District; (2) there is no lienholder on the property to be included in the proposed District; (3) the proposed District will contain approximately 459.95 acres located within Kaufman and Van Zandt Counties, Texas; and (4) all of the land within the proposed District is entirely located outside the extraterritorial jurisdiction of any City or Town. The petition further states that the general nature of the work proposed to be done by the District, as contemplated at the present time, is to purchase, construct, acquire, provide, operate, maintain, repair, improve, or extend inside or outside of its boundaries any and all works, improvements, facilities, systems, plants, equipment, and appliances necessary or helpful to supply and distribute water for municipal, domestic, industrial, and commercial purposes; to collect, transport, process, dispose of and control domestic, industrial, and commercial wastes; to gather, conduct, divert, abate, amend, and control local storm water or other local harmful excesses of water or provide adequate drainage in the district; to purchase, construct, acquire, provide, operate, maintain, repair, improve, extend and develop roadway system of the District; and to purchase, construct, acquire, provide, operate, maintain, repair, improve, or extend, inside or outside of its boundaries, such additional facilities, systems, plants, equipment, appliances, an enterprises as shall be consonant with the purposes for which the District is created. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioners that the cost of said project will be approximately $83,600,000 ($68,810,000 for water, wastewater, and drainage plus $14,790,000 for roads).

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing re-

quest is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202600335
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of District Petition - D-12192025-031

Notice issued January 21, 2026

TCEQ Internal Control No. D-12192025-031: Cyclone Development, Inc., (Petitioner) filed a petition for creation of Eastwood Municipal Utility District (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there are no lienholders on the property to be included in the proposed District; (3) the proposed District will contain approximately 458.077 acres located within Travis County, Texas; and (4) none of the land within the proposed District is within the corporate limits or extraterritorial jurisdiction of any city. The territory to be included in the proposed District is depicted in the vicinity map designated as Exhibit "A", which is attached to this document. The petition further states that the proposed District will design, construct, acquire, improve, extend, finance, and issue bonds to: (1) maintain, operate, and convey an adequate and efficient water works and sanitary sewer system for domestic purposes; (2) maintain, operate, and convey works, improvements, facilities, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the District, and to control, abate, and amend local storm waters or other harmful excesses of waters; (3) maintain, operate, and convey park and recreational facilities; (4) convey road and improvements in aid of roads; and (5) maintain, operate, and convey such other additional facilities, systems, plants, and enterprises as may be consistent with any or all of the purposes for which the District is created. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioner that the cost of said project will be approximately $161,500,000.

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing request is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202600334
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of District Petition - D-12292025-036

Notice issued January 23, 2026

TCEQ Internal Control No. D-12292025-036: SV2 ALEXANDER, LLC, a Texas limited liability company (Petitioner) filed a petition for creation of Williamson County Municipal Utility District No. 75 (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article III, §52 and Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there is one lienholder, South State Bank, as the successor-in-interest to Independent Bank on the property to be included in the proposed District and the aforementioned entity has consented to the creation of the proposed district; (3) the proposed District will contain approximately 138.45 acres of land located wholly within

Williamson County, Texas; and (4) the land to be included within the proposed District is located outside of any city limits or the extraterritorial jurisdiction. The petition further states that the proposed District will: purchase, construct, acquire, repair, extend an improve of land easements, works, improvements, facilities, plants, equipment, and appliances to: (1) provide a water supply for municipal uses, domestic uses and commercial purposes; (2) gather, conduct, divert and control local storm water or other local harmful excesses of water in the District; (3) purchase, construct, acquire, provide, operate, maintain, repair, improve, extend and develop park and recreational facilities for the inhabitants of the District; (4) design, acquire, construct, finance, improve, operate, and maintain macadamized, graveled, or paved roads or improvements in aid of those roads; and (5) to provide such other facilities, systems, plants and enterprises as shall be consonant with the purposes for which the District is created and permitted under state law. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioner that the cost of said project will be approximately $11,460,000 ($7,760,000 for water, wastewater, and drainage; $3,200,000 for roads; and $500,000 for park and recreational facilities).

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing request is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202600333
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of Public Meeting on Proposed Deletion

Notice of a public meeting on March 12, 2026, concerning the proposed deletion of the Voda Petroleum, Inc. state Superfund site, in White Oak, Gregg County, Texas (the site).

The purpose of the meeting is to obtain public input and information concerning the proposal to delete the site from the state Superfund registry.

The executive director (ED) of the Texas Commission on Environmental Quality (TCEQ or commission) is issuing this notice of intent to delete the Voda Petroleum, Inc. state Superfund site (the site) from the state Superfund registry (registry). The registry is the list of state Superfund sites which may constitute an imminent and substantial endangerment to public health and safety or the environment due to a release or threatened release of hazardous substances into the environment. The ED is proposing this deletion because the ED has determined that due to the remedial actions performed, the site no longer presents such an endangerment. This notice was also published in the *Longview News-Journal* on February 6, 2026.

About the Site

The site, including all land, structures, appurtenances, and other improvements, is approximately 6.12 acres located at 711 Duncan Road, White Oak, Gregg County, about 1.25 miles west of the intersection of Farm-to-Market (FM) 2275 (George Richey Road) and FM 3272 (North White Oak Road), and approximately 500 feet north of the intersection of Duncan Road and Charise Drive, 2.6 miles north/northeast of the city of Clarksville City, Gregg County, Texas. The site also includes any areas where hazardous substances had come to be located as a result, either directly or indirectly, of releases of hazardous substances from the site.

Remediation Activities

Voda Petroleum operated as a waste-oil recycling facility from 1981 until its abandonment in 1991. The facility received, stored, and processed lubricating oils, transmission oils, hydraulic oils, diesel oils, kerosene, gasoline, and aromatic and paraffinic solvents. Between 1982 and 1992, TCEQ conducted multiple site inspections and after the business closed, releases of hazardous substances were documented on adjacent residential properties and into Campbell's Creek. In 1996, the Environmental Protection Agency (EPA) removed approximately 476 55-gallon drums of waste, 16 above-ground storage tanks, and associated contaminated soil.

The site was proposed for listing on the registry in the *Texas Register* November 17, 2000, issue (25 TexReg 11594) due to soil contamination and groundwater with hydrocarbons and chlorinated solvents. A public meeting was held on January 11, 2001, to receive comments. TCEQ performed remedial investigation and feasibility study activities from 2001 to 2008.

A public notice concerning the proposed selection of remedy was published on September 19, 2008, in the *Texas Register* (33 TexReg 8055). A public meeting was held on October 23, 2008, to receive comments on the proposed selection of remedy. Consequently, an Administrative Order was issued in 2010, listing the site on the registry and the selection of a remedial action. The remedial action consisted of excavating the soil contamination and transporting it to an approved off-site landfill. There is no impacted soil on-site. TCEQ also installed a bioremediation groundwater-treatment system to promote biodegradation of contaminants. TCEQ has met the remedial action annual groundwater monitoring requirements and there is no detection of chemicals of concern at concentrations above their respective protective concentration levels during the past five years. No further action is necessary. Notice has been filed with the deed for the site in the real property records in Gregg County that residual contamination remains on site.

The TCEQ previously anticipated that institutional controls (ICs) restricting the use of and exposure to groundwater would be needed. However, the groundwater treatment activities achieved the remedial objectives sooner than expected. In addition, soil excavation data suggests that the site has been remediated to concentrations meeting the residential protective concentration levels.

Therefore, ICs restricting groundwater and land use are unnecessary. The site is appropriate for residential use according to state risk reduction regulations applicable to the site.

Proposed Deletion Reason

As a result of the remedial actions that have been performed at the site, the executive director has determined that the site no longer presents an imminent and substantial endangerment to public health and safety and the environment. Currently, all equipment associated with the former waste oil recycling operations has been removed. Therefore, the site is eligible for deletion from the state registry as provided by 30 Texas Administrative Code (TAC) §335.344(c).

Public Meeting

In accordance with 30 TAC §335.344(b), the commission will hold a public meeting to receive comment on this proposed deletion. This meeting will not be a contested case hearing within the meaning of Texas Government Code, Chapter 2001.

The meeting will be held at 6:30 p.m., on March 12, 2026, at the City of Clarksville City Community Center, 500 Texas Street, Gladewater, Texas 75647. Public meeting information and other site information will be available on the TCEQ's site webpage, prior to the meeting, at *https://www.tceq.texas.gov/remediation/superfund/state/voda.html.*

All persons desiring to make comments concerning the proposed deletion of the site may do so prior to or at the public meeting. All comments submitted *prior* to the public meeting must be received by 5:00 p.m. on March 11, 2026 **and should be sent in writing** to Carlos Molina, Project Manager, TCEQ, Remediation Division, MC 136, P.O. Box 13087, Austin, Texas 78711-3087, by email at *superfnd@tceq.texas.gov or* by facsimile at (512) 239-2450. The public comment period for this action will end at the close of the public meeting on March 12, 2026.

Records

A portion of the record for the site including documents pertinent to the ED's proposed deletion is available for review during regular business hours at the Longview Public Library, 222 W Cotton Street, Longview, Texas 75601, phone number (903) 237-1350.

Agency records for this site may be accessible for inspection (viewing) or copying by contacting the TCEQ Central File Room (CFR) Viewing Area, Building E, North Entrance, at 12100 Park 35 Circle, Austin, Texas 78753, by contacting CFR at *cfrreq@tceq.texas.gov* or phone at (512) 239-0171 to request an appointment. (Appointments are necessary for in-person viewing). CFR staff will assist with providing program area contacts for records not maintained in the CFR. Fees are charged for photocopying file information. Additionally, some CFR records are available electronically and accessible online: at Access Records from our Central File Room - Texas Commission on Environmental Quality - www.tceq.texas.gov or https://www.tceq.texas.gov/agency/data/records-services. Parking for persons with disabilities is available on the east side of Building D, convenient to access ramps that are between Buildings D and E. Information is also available about the state Superfund program at *https://www.tceq.texas.gov/remediation/superfund/sites*.

Persons with disabilities who have special communication or other accommodation needs who are planning to attend the meeting should contact the agency at (800) 633-9363 or (512) 239-2252. Requests should be made as far in advance as possible.

For further information about the public meeting, please contact Crystal Taylor, Community Relations Liaison at (800) 633-9363.

TRD-202600324
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of Water Quality Application - Minor Amendment WQ0004996000

The following notice was issued on January 23, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE OF NEWSPAPER PUBLICATION OF THIS NOTICE.

INFORMATION SECTION

North Texas Municipal Water District, which proposes to operate North Texas Municipal Water District Leonard Water Treatment Plant, a drinking water treatment facility, has applied for a renewal of Texas Pollutant Discharge Elimination System Permit No. WQ0004996000, which authorizes the discharge of desalination concentrate at a daily average flow not to exceed 9,300,000 gallons per day via Outfall 001. The facility is located approximately 700 feet north of the intersection of County Road 4965 and State Highway 78, in Fannin County, Texas 75452.

TRD-202600331
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of Water Quality Application - Minor Amendment WQ0005334000

The following notice was issued on January 21, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

TCEQ has initiated a minor amendment of Texas Pollutant Discharge Elimination System Permit No. WQ0005334000 issued to the City of Sherman, which operates the City of Sherman Surface Water Treatment Plant, a drinking water treatment facility, to implement controls for total copper at Outfall 001. The existing permit authorizes the discharge of water treatment wastes at a daily average flow not to exceed 4,980,000 gallons per day via Outfall 001. The facility is located at 243 La Cima Road, City of Sherman, Grayson County, Texas 75092.

TRD-202600329

Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Notice of Water Quality Application - Minor Amendment WQ0015026001

The following notice was issued on January 21, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

The Texas Commission on Environmental Quality has initiated a minor amendment of the Texas Pollutant Discharge Elimination System Permit No. WQ0015026001 issued to VAM USA, LLC to correct the Minimum Self-Monitoring Requirements on page 2 of the Effluent Limitations and Monitoring Requirements from Daily Max to Max. Single Grab. The existing permit authorizes the discharge of treated domestic wastewater at a daily average flow not to exceed 10,000 gallons per day. The facility is located at 19210 East Hardy Road, in Harris County, Texas 77073.

TRD-202600328
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: January 27, 2026

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Update to the Water Quality Management Plan (WQMP)

The Texas Commission on Environmental Quality (TCEQ or commission) requests comments from the public on the draft January 2026 Update to the WQMP for the State of Texas.

Download the draft January 2026 WQMP Update at *https://www.tceq.texas.gov/permitting/wqmp/WQmanagement_updates.html* or view a printed copy at the TCEQ Library, Building A, 12100 Park 35 Circle, Austin, Texas.

The WQMP is developed and promulgated in accordance with the requirements of the federal Clean Water Act, Section 208. The draft update includes projected effluent limits of specific treated domestic wastewater dischargers, which may be useful for planning in future permit actions. The draft update may also contain service area populations for listed wastewater treatment facilities, designated management agency information, and total maximum daily load (TMDL) revisions.

Once the commission certifies a WQMP update, it is submitted to the United States Environmental Protection Agency (EPA) for approval. For some Texas Pollutant Discharge Elimination System (TPDES) permits, the EPA's approval of a corresponding WQMP update is a necessary precondition to TPDES permit issuance by the commission.

Deadline

All comments must be received at the TCEQ no later than **5:00 p.m. on March 10, 2026.**

How to Submit Comments

Comments must be submitted in writing to:

Gregg Easley

Texas Commission on Environmental Quality

Water Quality Division, MC 148

P.O. Box 13087

Austin, Texas 78711-3087

Comments may also be faxed to (512) 239-4430 ***or*** emailed to Gregg Easley at *Gregg.Easley@tceq.texas.gov* but must be followed up with written comments by mail within five working days of the fax or email date or by the comment deadline, whichever is sooner.

For further information, or questions, please contact Mr. Easley at (512) 239-4539 or by email at *Gregg.Easley@tceq.texas.gov.*

TRD-202600300
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: January 27, 2026

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General Land Office

Notice and Opportunity to Comment on Requests for Consistency Agreement/Concurrence Under the Texas Coastal Management Program

On January 10, 1997, the State of Texas received federal approval of the Coastal Management Program (CMP) (62 *Federal Register* pp. 1439 - 1440). Under federal law, federal agency activities and actions affecting the Texas coastal zone must be consistent with the CMP goals and policies identified in 31 TAC Chapter 26. Requests for federal consistency review were deemed administratively complete for the following project(s) during the period of January 19, 2026 to January 23, 2026. As required by federal law, the public is given an opportunity to comment on the consistency of proposed activities in the coastal zone undertaken or authorized by federal agencies. Pursuant to 31 TAC §§30.20(f), 30.30(h), and 30.40(e), the public comment period extends 30 days from the date published on the Texas General Land Office web site. The notice was published on the web site on Friday, January 30, 2026. The public comment period for this project will close at 5:00 p.m. on Sunday, March 1, 2026.

Federal License and Permit Activities:

Applicant: Texas Historical Commission

Location: The project would affect waters of the United States associated and navigable waters of the United States associated with Buffalo Bayou. The project/review area is located at Buffalo Bayou, within the former berth of Battleship TEXAS and San Jacinto Museum and Battleground, northwest of the intersection of Independence Parkway and Park Road 1836, La Porte, Harris County, Texas.

Latitude and Longitude: 29.756203, -95.089693

Project Description: The applicant stated "the purpose of this project is to reestablish a wetland in the berth previously occupied by the Battleship TEXAS through the construction of a bulkhead and the settling or placement of fill within the closed berth to reestablish a tidal wetland. This project will result in the permanent conversion of tidal waters to tidal wetlands, restoring the land to near its original 1830's era condition and providing ecologically beneficial habitat".

The Applicant is proposing to construct an A-frame bulkhead to close and reclaim the berth previously occupied by Battleship TEXAS within the San Jacinto Battleground State Historic Site in Harris

County, Texas. The proposed bulkhead is approximately 377 feet in length, extending straight across the mouth of the berth. In order to maintain this bulkhead and protect it from vessel impacts 22,000 cubic yards (CY) of rip-rap would be installed on the channel side of the bulkhead. Due to the nature of the loose substrate where this rip-rap would need to be placed approximately 6,690 CY of material would be dredged most likely through hydraulic means and placed on site within the wetland restoration area. In order to reestablish a native tidal wetland within the berth approximately 134,310 CY of clean earthen fill material will need to be allowed to settle or placed within the now bulkheaded berth. The target elevation of +0.04 foot (NAVD 88) will be used for this wetland.

The applicant has provided the following explanation why compensatory mitigation should not be required: The applicant has designed the project to avoid and minimize impacts to waters of the U.S., including wetlands, to the greatest extent practicable, while still achieving the needs of the project. Impacts to jurisdictional wetlands or other special aquatic sites have been avoided. Impacts to project site would be minimized to the greatest extent practicable. The proposed project involves construction within a previously disturbed waterbody. Impacts to existing open water habitat within the project site resulting from construction activities would be permanent. Best Management Practices (BMPs) would be utilized during construction activities to reduce potential temporary impacts. This project avoids 42.47 acres of tidally influenced open water and 0.05-acre of palustrine emergent wetland within the project boundary. This project will also increase the amount of tidal wetlands within the project area. No mitigation is proposed due to the nature of this project and the increase in wetland function.

Type of Application: U.S. Army Corps of Engineers permit application # SWG-1995-02237. This application will be reviewed pursuant Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act. Note: The consistency review for this project may be conducted by Texas Commission on Environmental Quality as part of its certification under §401 of the Clean Water Act.

CMP Project No: 26-1060-F1

Applicant: The Port of Beaumont Navigation District

Location: The project site is located in the Neches River at the Port of Beaumont's existing Grain Dock and Main Street 2 Wharf, near 1225 Main Street, in Beaumont, Jefferson County, Texas.

Project Description: The applicant proposes to modify SWG-1997-01754 (formerly Department of the Army (DA) Permit No. 13434(03)) to extend the existing Grain Dock and replace the existing Main Street 2 wharf facilities to support existing and future commercial marine cargo operations at the Port.

Grain Dock Extension:

Work at the Grain Dock would include the construction of a 115-foot by 80-foot pile-supported concrete wharf extension; a 95-foot by 15-foot pile-supported concrete approach way; a 67-foot by 50-foot pile-supported barge-loading platform; a 140-foot by 15-foot approach way; and a 206-foot by 27-foot barge access bridge with a conveyor and barge monopile. Additionally, approximately 30 cubic yards (CY) of articulated concrete block revetment will be discharged below the high tide line along approximately 98 linear feet of shoreline. The project also includes approximately 250 linear feet of new sheet pile bulkhead to protect the existing top of bank at the downstream end of the site. New work dredging of approximately 0.98 acre will occur to a depth of -12 feet MLLW, with 1-foot allowable over depth and 1-foot advanced maintenance (to an approximate total depth of -14 feet MLLW), removing approximately 2,876.3 CY of material by mechanical, clamshell, or hydraulic methods. All new work and maintenance dredged material will be placed in one of the following Federal Dredge Material Placement Areas (DMPAs): 5, 5B, 8, 9, 11, 12, 13, 14, 17, 22, 23, 24, 25, or 26, in coordination with the Sabine-Neches Navigation District. Alternatively, dredged material may be placed in the Nelda Stark Beneficial Use area, in coordination with the Texas Parks and Wildlife Department. No modification of the DD6 outfall is proposed.

Main Street Terminal 2 Wharf:

Work at the Main Street Terminal 2 facility would include demolition and removal of existing Wharfs 5, 6, and 7 and their associated sheds; the construction of a new 1,392-foot by 150-foot pile-supported concrete wharf and a new protection dolphin; the expansion of the existing dredge template by approximately 0.15 acre, and deepening of the entire template to -48 feet MLLW, plus 1-foot allowable over depth and 1-foot advanced maintenance (to an approximate total depth of -50 feet MLLW), removing approximately 3,602 CY of material from the additional dredge area by mechanical, clamshell, or hydraulic methods and removal of approximately 127,457 CY of material from the existing dredge area due to deepening. Approximately 2,100 CY of revetment or stone riprap will be discharged below the high tide line along approximately 1,700 linear feet of shoreline. Additionally, approximately 1,700 linear feet of new sheet pile bulkhead will be installed landside of the new wharf, with the upstream end tying into the sheet pile bulkhead authorized under SWG-2018-00597, and the downstream end terminating at the top of bank. A new 1,200-foot by 150-foot transit shed will be installed, supported by the new concrete wharf and landside foundations. All new work and maintenance dredged material will be placed in one of the following Federal Dredge Material Placement Areas (DMPAs): 5, 5B, 8, 9, 11, 12, 13, 14, 17, 22, 23, 24, 25, or 26, in coordination with the Sabine-Neches Navigation District. Alternatively, dredged material may be placed in the Nelda Stark Beneficial Use area, in coordination with the Texas Parks and Wildlife Department.

The applicant has provided the following explanation why compensatory mitigation should not be required: The permittee is not proposing compensatory mitigation because the project is confined to an existing, fully developed deep-draft port facility, results in no loss of wetlands or other special aquatic sites, and does not convert any waters of the United States to non-aquatic use; all in-water work consists of pile-supported structures, limited shoreline armoring, and dredging within existing or previously authorized berthing areas and dredge templates. As a result, the project would not cause more than minimal, long-term adverse effects on aquatic resource functions.

Type of Application: U.S. Army Corps of Engineers permit application # SWG-1997-01754. This application will be reviewed pursuant Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act. Note: The consistency review for this project may be conducted by Texas Commission on Environmental Quality as part of its certification under §401 of the Clean Water Act.

CMP Project No: 26-1061-F1

Further information on the applications listed above, including a copy of the consistency certifications or consistency determinations for inspection, may be obtained from the Texas General Land Office Public Information Officer at 1700 N. Congress Avenue, Austin, Texas 78701, or via email at pialegal@glo.texas.gov. Comments should be sent to the Texas General Land Office Coastal Management Program Coordinator at the above address or via email at federal.consistency@glo.texas.gov.

TRD-202600297

Jennifer Jones
Chief Clerk and Deputy Land Commissioner
General Land Office
Filed: January 26, 2026

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Texas Health and Human Services Commission

Notice of Public Hearing on Proposed Updates to Annual HCPCS

The Texas Health and Human Services Commission (HHSC) will conduct a public hearing on March 3, 2026, at 9:00 a.m., to receive public comments on proposed updates to Annual HCPCS Updates.

This hearing will be conducted as an in-person and online event. To join the hearing from your computer, tablet, or smartphone, register for the hearing in advance using the following link:

Registration URL:

https://attendee.gotowebinar.com/register/7078408922066691675

After registering, you will receive a confirmation email containing information about joining the webinar. Instructions for dialing-in by phone will be provided after you register.

Members of the public may attend the rate hearing in person, which will be held in the Public Hearing Room 1.401, 1.402, 1.403 & 1.404 in the North Austin Complex located at 4601 W Guadalupe Street, Austin, Texas, or they may access a live stream of the meeting at https://hhs.texas.gov/about-hhs/communications-events/live-archived-meetings. For the live stream, select the "North Austin Complex Live" tab. A recording of the hearing will be archived and accessible on demand at https://www.hhs.texas.gov/about/live-archived-meetings under the "Archived" tab. The hearing will be held in compliance with Texas Human Resources Code section 32.0282, which requires public notice of and hearings on proposed Medicaid reimbursements.

Any updates to the hearing details will be posted on the HHSC website at https://www.hhs.texas.gov/about/meetings-events.

Proposal. The effective date of the proposed payment rates for the topics presented during the rate hearing will be as follows:

Effective January 01, 2026

Annual HCPCS Updates:

- Physician Administered Drugs- Type of Service (TOS) 1 (Medical Services);

- Non-Drugs- TOS 1;

- Surgery Services- TOS 2 (Surgery Services), and TOS 8 (Assistant Surgery);

- Radiological Services - TOS 4 (Radiology), TOS I (Professional Component), and TOS T (Technical Component);

- Clinical Diagnostic Laboratory Services - TOS 5 (Laboratory);

- Radiation Therapy- TOS 6 (Radiation Therapy), TOS I (Professional Component), TOS T (Technical Component);

- Durable Medical Equipment, Prosthetics, Orthotics, and Supplies- TOS 9 (Other Medical Items or Services), TOS J (DME Purchase-New), and TOS L (DME Rental-Monthly)

- Ambulatory Surgical Center-TOS F (Ambulatory Surgical Center); and

- Texas Health Steps Dental/Orthodontia-TOS W (Dental/Orthodontia)

Methodology and Justification. The proposed payment rates were calculated in accordance with Title 1 of the Texas Administrative Code:

Section 355.8023, Reimbursement Methodology for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS);

Section 355.8085, Reimbursement Methodology for Physicians and Other Practitioners;

Section 355.8121, Reimbursement to Ambulatory Surgical Centers;

Section 355.8441, Reimbursement Methodologies for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Services (also known as Texas Health Steps); and

Section 355.8610, Reimbursement for Clinical Laboratory Services;

Rate Hearing Packet. A briefing packet describing the proposed payment rates will be made available at https://pfd.hhs.texas.gov/rate-packets on or before February 17, 2026. Interested parties may obtain a copy of the briefing packet on or after that date by contacting Provider Finance by telephone at (512) 730-7401; by fax at (512) 730-7475; or by e-mail at PFDAcuteCare@hhs.texas.gov.

Written Comments. Written comments regarding the proposed payment rates may be submitted in lieu of, or in addition to, oral testimony until 5 p.m. the day of the hearing. Written comments may be sent by U.S. mail to the Texas Health and Human Services Commission, Attention: Provider Finance, Mail Code H-400, P.O. Box 149030, Austin, Texas 78714-9030; by fax to Provider Finance at (512) 730-7475; or by e-mail to PFDAcuteCare@hhs.texas.gov. In addition, written comments may be sent by overnight mail to Texas Health and Human Services Commission, Attention: Provider Finance, Mail Code H-400, North Austin Complex, 4601 Guadalupe St, Austin, Texas 78751.

Preferred Communication. For quickest response please use e-mail or phone if possible for communication with HHSC related to this rate hearing.

Persons with disabilities who wish to participate in the hearing and require auxiliary aids or services should contact Provider Finance at (512) 730-7401 at least 72 hours before the hearing so appropriate arrangements can be made.

TRD-202600296
Karen Ray
Chief Counsel
Texas Health and Human Services Commission
Filed: January 26, 2026

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North Central Texas Council of Governments

Call for Ideas for NCTCOG Technology Project Identification Framework

The North Central Texas Council of Governments (NCTCOG) is requesting project applications for the Technology Project Identification (TPI) Framework Call for Ideas from regional public-sector partner agencies who want to team up with NCTCOG to support connected, automated, and emerging transportation technologies within the North Central Texas region. Eligible project concepts must align with one or more of the following emphasis areas: Roadway Safety Technology, Food Desert Elimination, Delivery Bots & Drones, Next Generation Traffic Signals, or Autonomous Shuttles.To be considered for funding, the submitting agency must be a regional public-sector partner agency in the 12-county Metropolitan Planning Organization (MPO) nonattainment area: Collin, Dallas, Denton, Ellis, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties.

Applications must be received in hand no later than 5:00 p.m., Central Time, on Friday, April 10, 2026, to Braulio Bessa, Transportation Planner II, North Central Texas Council of Governments, 616 Six Flags Drive, Arlington, Texas 76011 and electronic submissions to TransRFPs@nctcog.org. The in-hand submittal will count as the official submittal. Electronic-only submissions will not be evaluated. The Call for Projects was published on Friday, January 9, 2026, and additional information about application guidance is available at https://www.nctcog.org/trans/funds/cfps/technology-project-identification-tpi-framework-2026-call-for-project-ideas.

NCTCOG does not discriminate on the basis of age, race, color, religion, sex, national origin, or disability.

TRD-202600288
Todd Little
Executive Director
North Central Texas Council of Governments
Filed: January 23, 2026

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Request for Proposals for Roadway and Transit Model Development Tests for the Dallas-Fort Worth Region

The North Central Texas Council of Governments (NCTCOG) is requesting written proposals from qualified firms(s) to develop models in a software platform designed to enhance the roadway and transit network modeling for NCTCOG's regional travel model.

NCTCOG will be releasing this RFP on **Friday, February 6, 2026**, in the Bidnet Direct system and will accept electronic submissions through the Bidnet Direct system only. The Bidnet Direct submittal will count as the official submittal. Proposals must be submitted in Bidnet Direct no later than **5:00 p.m., Central Time**, on **Friday, March 6, 2026.** Proposals received after that time will not be accepted.

NCTCOG does not discriminate on the basis of age, race, color, religion, sex, national origin, or disability.

TRD-202600326
Todd Little
Executive Director
North Central Texas Council of Governments
Filed: January 27, 2026

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TEXT

How to Use the Texas Register

Information Available: The sections of the *Texas Register* represent various facets of state government. Documents contained within them include:

Governor - Appointments, executive orders, and proclamations.

Attorney General - summaries of requests for opinions, opinions, and open records decisions.

Texas Ethics Commission - summaries of requests for opinions and opinions.

Emergency Rules - sections adopted by state agencies on an emergency basis.

Proposed Rules - sections proposed for adoption.

Withdrawn Rules - sections withdrawn by state agencies from consideration for adoption, or automatically withdrawn by the Texas Register six months after the proposal publication date.

Adopted Rules - sections adopted following public comment period.

Texas Department of Insurance Exempt Filings - notices of actions taken by the Texas Department of Insurance pursuant to Chapter 5, Subchapter L of the Insurance Code.

Review of Agency Rules - notices of state agency rules review.

Tables and Graphics - graphic material from the proposed, emergency and adopted sections.

Transferred Rules - notice that the Legislature has transferred rules within the *Texas Administrative Code* from one state agency to another, or directed the Secretary of State to remove the rules of an abolished agency.

In Addition - miscellaneous information required to be published by statute or provided as a public service.

Specific explanation on the contents of each section can be found on the beginning page of the section. The division also publishes cumulative quarterly and annual indexes to aid in researching material published.

How to Cite: Material published in the *Texas Register* is referenced by citing the volume in which the document appears, the words "TexReg" and the beginning page number on which that document was published. For example, a document published on page 2402 of Volume 51 (2026) is cited as follows: 51 TexReg 2402.

In order that readers may cite material more easily, page numbers are now written as citations. Example: on page 2 in the lower-left hand corner of the page, would be written "51 TexReg 2 issue date," while on the opposite page, page 3, in the lower right-hand corner, would be written "issue date 51 TexReg 3."

How to Research: The public is invited to research rules and information of interest between 8 a.m. and 5 p.m. weekdays at the *Texas Register* office, James Earl Rudder Building, 1019 Brazos, Austin. Material can be found using *Texas Register* indexes, the *Texas Administrative Code* section numbers, or TRD number.

Both the *Texas Register* and the *Texas Administrative Code* are available online at: https://www.sos.texas.gov. The *Texas Register* is available in an .html version as well as a .pdf version through the internet. For website information, call the Texas Register at (512) 463-5561.

Texas Administrative Code

The *Texas Administrative Code (TAC*) is the compilation of all final state agency rules published in the *Texas Register*. Following its effective date, a rule is entered into the *Texas Administrative Code*. Emergency rules, which may be adopted by an agency on an interim basis, are not codified within the *TAC*.

The *TAC* volumes are arranged into Titles and Parts (using Arabic numerals). The Titles are broad subject categories into which the agencies are grouped as a matter of convenience. Each Part represents an individual state agency.

The complete *TAC* is available through the Secretary of State's website at http://www.sos.state.tx.us/tac.

The Titles of the *TAC*, and their respective Title numbers are:

1. Administration
4. Agriculture
7. Banking and Securities
10. Community Development
13. Cultural Resources
16. Economic Regulation
19. Education
22. Examining Boards
25. Health Services
28. Insurance
30. Environmental Quality
31. Natural Resources and Conservation
34. Public Finance
37. Public Safety and Corrections
40. Social Services and Assistance
43. Transportation

How to Cite: Under the *TAC* scheme, each section is designated by a *TAC* number. For example in the citation 1 TAC §91.1: 1 indicates the title under which the agency appears in the *Texas Administrative Code*; *TAC* stands for the *Texas Administrative Code*; §91.1 is the section number of the rule (91 indicates that the section is under Chapter 91 of Title 1; 1 represents the individual section within the chapter).

How to Update: To find out if a rule has changed since the publication of the current supplement to the *Texas Administrative Code*, please look at the *Index of Rules*.

The *Index of Rules* is published cumulatively in the blue-cover quarterly indexes to the *Texas Register*.

If a rule has changed during the time period covered by the table, the rule's *TAC* number will be printed with the *Texas Register* page number and a notation indicating the type of filing (emergency, proposed, withdrawn, or adopted) as shown in the following example.

TITLE 1. ADMINISTRATION
Part 4. Office of the Secretary of State
Chapter 91. Texas Register
1 TAC §91.1…….....950 *(P)*

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