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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 March 11, 2026

Appointed as the vice presiding officer to the Governor's Commission for Women for a term to expire at the pleasure of the Governor, Denise Castillo-Rhodes of Houston, Texas (replacing Amy J. Henderson of Amarillo).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Gina R. Bellinger of San Antonio, Texas (Ms. Bellinger is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Gita P. Bolt of Houston, Texas (Ms. Bolt is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Ashley B. Cash of Lubbock, Texas (Ms. Cash is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Denise Castillo-Rhodes of Houston, Texas (Ms. Castillo-Rhodes is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Sasha S. Crane of McAllen, Texas (Ms. Crane is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Marie E. "Maru" De La Paz of Harlingen, Texas (Ms. De La Paz is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Katrine S. Formby of Austin, Texas (replacing Kimberly "Kim" Ratcliff of Oakwood whose term expired).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Angela A. Garcia of Austin, Texas (replacing Jinous M. Rouhani of Austin whose term expired).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Amy J. Henderson of Amarillo, Texas (Ms. Henderson is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Angelica A. "Angie" Rosales of El Paso, Texas (Ms. Rosales is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Loreal L. Sarkisian of El Paso, Texas (replacing Gay W. Gaddis of Austin whose term expired).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Nathali Parker Weisman of New Braunfels, Texas (Ms. Weisman is being reappointed).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Donna N. Williams of Arlington, Texas (replacing Angelique M. De Luca of Fort Worth whose term expired).

Appointed to the Governor's Commission for Women for a term to expire December 31, 2027, Hannah Wing Pontikes of Dallas, Texas (replacing Patsy C. Wesson of Fort Worth whose term expired).

Greg Abbott, Governor
TRD-202601168



Proclamation 41-4267

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on January 29, 2026, certifying under Section 418.014 of the Texas Government Code that the spread of New World screwworm northward from Mexico towards the U.S. southern border threatens Texas' livestock industry and economy and poses an imminent threat of widespread and severe property damage for all Texas counties; and

WHEREAS, the certified conditions continue to exist and pose an ongoing and imminent threat of disaster as set forth in the prior proclamation;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the aforementioned proclamation and declare a state of disaster for all Texas counties. All orders, directions, suspensions, and authorizations provided in the Proclamation of January 29, 2026, as renewed, are in full force and effect.

In accordance with 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 28th day of February, 2026.

Greg Abbott, Governor
TRD-202601107



Proclamation 41-4268

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, issued a disaster proclamation related to fire weather conditions that began on August 10, 2025, as amended and renewed in subsequent proclamations, certifying that increased fire weather conditions pose an imminent threat of widespread or severe damage, injury, or loss of life or property in several counties; and

WHEREAS, the Texas Division of Emergency Management has confirmed that those same increased fire weather conditions persist in certain counties in Texas;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby amend and renew the aforementioned proclamation and declare a disaster in

Andrews, Aransas, Archer, Armstrong, Atascosa, Bailey, Bandera, Bastrop, Baylor, Bee, Bexar, Blanco, Borden, Brewster, Briscoe, Brooks, Brown, Caldwell, Calhoun, Callahan, Cameron, Carson, Castro, Childress, Clay, Cochran, Coke, Coleman, Collingsworth, Colorado, Comal, Comanche, Concho, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dawson, Deaf Smith, DeWitt, Dickens, Dimmit, Donley, Duval, Eastland, Ector, Edwards, El Paso, Erath, Fayette, Fisher, Floyd, Foard, Frio, Gaines, Garza, Gillespie, Glasscock, Goliad, Gonzales, Gray, Guadalupe, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hays, Hemphill, Hidalgo, Hockley, Howard, Hudspeth, Hutchinson, Irion, Jack, Jackson, Jeff Davis, Jim Hogg, Jim Wells, Jones, Karnes, Kendall, Kenedy, Kent, Kerr, Kimble, King, Kinney, Kleberg, Knox, La Salle, Lamb, Lampasas, Lavaca, Lipscomb, Live Oak, Llano, Loving, Lubbock, Lynn, Martin, Mason, Matagorda, Maverick, McCulloch, McMullen, Medina, Menard, Midland, Mills, Mitchell, Moore, Motley, Nolan, Nueces, Ochiltree, Oldham, Palo Pinto, Parmer, Pecos, Potter, Presidio, Randall, Reagan, Real, Reeves, Refugio, Roberts, Runnels, San Patricio, San Saba, Schleicher, Scurry, Shackelford, Sherman, Starr, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry, Throckmorton, Tom Green, Travis, Upton, Uvalde, Val Verde, Victoria, Ward, Webb, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Wilson, Winkler, Yoakum, Young, Zapata, and Zavala Counties.

Pursuant to Section 418.017 of the Texas Government 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 Texas Government 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 9th day of March, 2026.

Greg Abbott, Governor
TRD-202601150



Proclamation 41-4269

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, issued a disaster proclamation related to fire weather conditions that began on August 10, 2025, as amended and renewed in subsequent proclamations, certifying that increased fire weather conditions pose an imminent threat of widespread or severe damage, injury, or loss of life or property in several counties; and

WHEREAS, the Texas Division of Emergency Management has confirmed that those same increased fire weather conditions persist in certain counties in Texas;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby amend and renew the aforementioned proclamation and declare a disaster in Andrews, Aransas, Archer, Armstrong, Atascosa, Bailey, Bandera, Bastrop, Baylor, Bee, Bexar, Blanco, Borden, Brewster, Briscoe, Brooks, Brown, Caldwell, Calhoun, Callahan, Cameron, Carson, Castro, Childress, Clay, Cochran, Coke, Coleman, Collingsworth, Colorado, Comal, Comanche, Concho, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dawson, Deaf Smith, DeWitt, Dickens, Dimmit, Donley, Duval, Eastland, Ector, Edwards, El Paso, Erath, Fayette, Fisher, Floyd, Foard, Frio, Gaines, Garza, Gillespie, Glasscock, Goliad, Gonzales, Gray, Guadalupe, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hays, Hemphill, Hidalgo, Hockley, Howard, Hudspeth, Hutchinson, Irion, Jack, Jackson, Jeff Davis, Jim Hogg, Jim Wells, Jones, Karnes, Kendall, Kenedy, Kent, Kerr, Kimble, King, Kinney, Kleberg, Knox, La Salle, Lamb, Lampasas, Lavaca, Lipscomb, Live Oak, Llano, Loving, Lubbock, Lynn, Martin, Mason, Matagorda, Maverick, McCulloch, McMullen, Medina, Menard, Midland, Mills, Mitchell, Moore, Motley, Nolan, Nueces, Ochiltree, Oldham, Palo Pinto, Parmer, Pecos, Potter, Presidio, Randall, Reagan, Real, Reeves, Refugio, Roberts, Runnels, San Patricio, San Saba, Schleicher, Scurry, Shackelford, Shelby, Sherman, Starr, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry, Throckmorton, Tom Green, Travis, Upton, Uvalde, Val Verde, Victoria, Ward, Webb, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Wilson, Winkler, Yoakum, Young, Zapata, and Zavala Counties.

Pursuant to Section 418.017 of the Texas Government 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 Texas Government 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 9th day of March, 2026.

Greg Abbott, Governor
TRD-202601151



PROPOSED RULES

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 1. ADMINISTRATION

PART 15. TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 373. MEDICAID ESTATE RECOVERY PROGRAM

The executive commissioner of the Texas Health and Human Services Commission (HHSC), on behalf of the Office of Inspector General (OIG), proposes in the Texas Administrative Code Title 1, Part 15, Chapter 373, Subchapter A, amended §§373.101, 373.103, and 373.105; Subchapter B, amended §§373.201, 373.203, 373.205, 373.207, 373.209, 373.211, 373.213, 373.215, 373.217, and 373.219; and Subchapter C, amended §§373.301, 373.303, 373.305, and 373.307, concerning the Medicaid Estate Recovery Program.

BACKGROUND AND PURPOSE

The purpose of this proposal is to clarify provisions in the Medicaid Estate Recovery Program (MERP) rules, consistent with applicable federal law at 42 U.S.C. §1396p(b)(1). HHSC, as the State Medicaid Agency, is required to operate a MERP and recover the costs of Medicaid long-term care benefits received by certain Medicaid recipients. At the same time this rule is proceeding through the rulemaking process, HHSC will be submitting a proposed State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS). The SPA will seek approval from CMS to send MERP notices to the last known address of the Medicaid recipient upon their death to ensure the decedent's heirs are aware of a possible MERP claim. This proposal also implements HB 4611, 88th Legislature, Regular Session, 2023, which makes non-substantive amendments to the Texas Government Code that make the statute more accessible, understandable, and usable.

SECTION-BY-SECTION SUMMARY

Subchapter A, General

The proposed amendment to §373.101, Purpose, removes the statutory reference recodified by House Bill (HB) 4611, 88th Legislature, Regular Session, 2023; and removes duplicative information.

The proposed amendment to §373.103, Applicability, clarifies existing language, corrects formatting, and moves the definition of "Covered Medicaid long-term care services" to §373.105, Definitions.

The proposed amendment to §373.105, Definitions, clarifies existing language, adds the definition of "Covered Medicaid long-term care services" (moved from §373.103), and updates

statutory references due to recodification of the Texas Probate Code as the Texas Estates Code. The terms "Applied for Covered Medicaid Long-Term Care Services," "Claim," "Cost-effective," "Decedent," "Estate," "Federal Poverty Level," "Heirs," "Legatee," "MERP," "Personal Representative," "Recipient," and "Value of real property" are amended. The term "Effective date" is deleted.

Subchapter B, Recovery Claims

The proposed amendment to §373.201, Basis for Claims, clarifies existing language and updates statutory references due to recodification of the Texas Probate Code as the Texas Estates Code.

The proposed amendment to §373.203, Claims Procedures, clarifies existing language and updates statutory references due to recodification of the Texas Probate Code as the Texas Estates Code.

The proposed amendment to §373.205, Medicaid Estate Recovery Program (MERP) Claim, clarifies existing language, corrects formatting, and expands the time available for contractors to file claims.

The proposed amendment to §373.207, Exemptions from Claims, clarifies existing language, corrects formatting, and more closely conforms language to 42 U.S.C. §1396a, concerning State Plans for Medical Assistance.

The proposed amendment to §373.209, Undue Hardship Waivers, clarifies language, corrects formatting, reorganizes subsections for logical consistency, increases the minimum amount of an estate subject to recovery under MERP to match inflation, changes to gender neutral language, and removes the MERP Hardship Waiver Denial Review Request mailing address so the address may be updated in a timely manner as necessary.

The proposed amendment to §373.211, Right to a Review of an Undue Hardship Waiver Denial, clarifies existing language, adds the requirement to provide supporting documentation for an undue hardship waiver by rule, and removes the MERP Hardship Waiver Denial Review Request mailing address so the address may be updated in a timely manner as necessary.

The proposed amendment to §373.213, Deduction Allowed for Expenses for Home Maintenance and Costs of Care, clarifies existing language and removes the MERP Hardship Waiver Denial Review Request mailing address so the address may be updated in a timely manner as necessary.

The proposed amendment to §373.215, Recovery Not Cost Effective, increases the minimum amount of an estate subject to recovery under MERP to match inflation.

The proposed amendment to §373.217, Claim Amount, clarifies existing language, updates a rule reference citation, and clarifies what is included in MERP claims.

The proposed amendment to §373.219, Claim Payments, clarifies existing language, conforms language to internal HHSC standards, updates the name of the payee to whom payments must be made, and removes the MERP Hardship Waiver Denial Review Request mailing address so the address may be updated in a timely manner as necessary.

Subchapter C, Notice

The proposed amendment to §373.301, Notice Upon Application, clarifies existing language, allows the written notice of MERP provisions to be provided to legal representatives, removes outdated language, and updates language to conform to Texas Health and Safety Code Title 7, Mental Health and Intellectual Disability.

The proposed amendment to §373.303, Additional Application Notice Provision to Recipients and Others, clarifies existing language, corrects formatting, and updates language to conform to Texas Health and Safety Code Chapter 252, Intermediate Care Facilities for Individuals with an Intellectual Disability.

The proposed amendment to §373.305, Medicaid Application Estate Recovery Notice Contents, clarifies existing language, corrects formatting, updates statutory references due to recodification of the Texas Probate Code as the Texas Estates Code, and updates a reference to an additional administrative rule.

The proposed amendment to §373.307, Notice of Intent to File A Claim upon the Death of a Medicaid Recipient, clarifies existing language, corrects formatting, expands the time available for contractors to file a claim, adds locations where notice of a possible MERP claim may be sent, and removes the MERP Hardship Waiver Denial Review Request mailing address so the address may be updated in a timely manner as necessary.

FISCAL NOTE

Trey Wood, HHSC Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local government.

GOVERNMENT GROWTH IMPACT STATEMENT

HHSC has determined that during the first five years that the rules will be in effect:

- (1) the proposed rules will not create or eliminate a government program;
- (2) implementation of the proposed rules will not affect the number of HHSC employee positions;
- (3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;
- (4) the proposed rules will not affect fees paid to HHSC;
- (5) the proposed rules will not create a new regulation;
- (6) the proposed rules will not expand, limit, or repeal existing regulations;
- (7) the proposed rules will not change the number of individuals subject to the rules; and
- (8) the proposed rules will not affect the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Trey Wood has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

The rules do not impose any additional costs on small businesses, micro-businesses, or rural communities that are required to comply with the rules because these rule revisions clarify the existing rules for the Medicaid program and there is no requirement for small businesses or micro-businesses to alter current business practices in order to comply with the amended rules.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules do not impose a cost on regulated persons and are necessary to implement legislation that does not specifically state that §2001.0045 applies to the rule.

PUBLIC BENEFIT AND COSTS

Diane Salisbury, OIG Chief of Data Reviews, has determined that for each year of the first five years the rule is in effect, the public benefit will be to help clarify MERP eligibility and rule requirements to ensure proper recovery of Medicaid Long-Term Care costs.

Trey Wood has also determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because any potential reduction in recoveries as a result of increasing thresholds would be offset by other clarifying language closing loopholes that are barriers to recovery.

TAKINGS IMPACT ASSESSMENT

OIG has determined that the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Texas Government Code §2007.043.

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rule, as well as any applicable data, research, or analysis, may be submitted to Rules Coordination Office, P.O. Box 13247, Mail Code 4102, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or emailed to HHSRulesCoordinationOffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 24R031" in the subject line.

SUBCHAPTER A. GENERAL

1 TAC §§373.101, 373.103, 373.105

STATUTORY AUTHORITY

The amendments are authorized by Texas Government Code §524.0151, which provides the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services agencies, and Texas Government Code §546.0403, which requires the executive commissioner to ensure Medicaid implements 42 United States Code §1396p(b)(1), Adjustments or recovery of medical assistance correctly paid under a State Plan, which has been done with the Medicaid Estate Recovery Program.

The amendments affect Texas Government Code §524.0151 and §546.0403.

§373.101. Purpose.

The purpose of this chapter is to implement the Medicaid Estate Recovery Program (MERP), [section 531.077, Government Code,] consistent with [applicable] federal law [at] 42 U.S.C. §1396p(b)(1), which requires the State Medicaid Agency, the Texas Health and Human Services Commission, [as the State Medicaid Agency,] to [operate a Medicaid Estate Recovery Program (MERP) to] recover the costs of Medicaid long-term care benefits received by certain Medicaid recipients.

§373.103. Applicability.

(a) MERP may file a [A Medicaid Estate Recovery] claim [may be filed] against the estate of a deceased Medicaid recipient for covered Medicaid long-term care services if the recipient:

(1) was [Was age] 55 years old or older when the recipient [at the time the services were] received the services; and

(2) began receiving [Initially applied for] covered Medicaid long-term care services on or after March 1, 2005. [2005; the effective date of these rules.]

(b) For purposes of this chapter, an individual will be considered to be age 55 as of the first day of the month following the month in which the recipient attains the age of 55.

[(c) Covered Medicaid long-term care services include the following services provided to a recipient age 55 years or older under the State of Texas Medicaid plan under Title XIX of the Social Security Act (SSA):]

[(1) Nursing facility services;]

[(2) Intermediate Care Facilities for the Mentally Retarded (ICF-MR);]

[(3) Home and Community-Based Services (§1915(e), SSA) and Community Attendant Services (§1929(b), SSA); and]

[(4) Related costs of hospital and prescription drug services.]

[(d) For the purposes of this chapter, covered services do not include services provided before the effective date of these rules.]

§373.105. Definitions.

For the purposes of this chapter, the following words and terms have the following meanings, unless the context clearly indicates otherwise.[:]

(1) Began receiving [Applied for] Covered Medicaid Long-Term Care Services--The first date [An individual or his or her representative files an application,] a [nursing facility submits an admission notice and medical necessity determination, or an individual elects] Medicaid recipient receives [waiver services, which results in] a covered service [being] approved and paid for by [under] Medicaid.

(2) Claim--A right to recover the total amount of Medicaid assistance paid for covered Medicaid long-term care services [the following services: nursing facility; Intermediate Care Facility for the Mentally Retarded (ICF-MR); Home and Community-Based Services (§1915(e), SSA) and Community Attendant Services (§1929(b), SSA);] and all related hospital and prescription drug services[.] provided from the time the decedent was 55 years of age or older.

(3) Cost-effective--When [Economical to the extent that] the amount of money [reasonably] expected to be recovered by MERP is more than [the Medicaid Estate Recovery Program exceeds] the cost of recovering that money [recovery by the program as provided in this chapter].

(4) Covered Medicaid long-term care services--Any of the below services provided to a recipient aged 55 years or older under the State of Texas Medicaid plan under Title XIX of the Social Security Act (SSA):

(A) nursing facility services;

(B) intermediate care facilities for individuals with an Intellectual Disability or Related Condition (ICF/IID);

(C) Medicaid long-term care services provided under the following Medicaid programs:

(i) Home and Community-based Services (HCS);

(ii) Community Attendant Services (CAS);

(iii) Community Living Assistance and Support Services (CLASS);

(iv) Community Based Alternatives (CBA);

(v) Consolidated Waiver Program (CWP);

(vi) Deaf-Blind with Multiple Disabilities (DBMD);

(vii) Integrated Care Management (ICM);

(viii) STAR+PLUS long-term care services; and

(ix) Texas Home Living (TxHmL); and

(D) related costs of hospital and prescription drug services.

(5) [(4)] Decedent--A deceased individual who was 55 years of age or older when they received [at the time that] covered Medicaid long-term care services [assistance was received].

[(5) Effective date--March 1, 2005, the date on which these rules take effect under §2001.036, Government Code.]

(6) Estate--The real and personal property of a decedent, both as such property originally existed and as from time to time changed in form by sale, reinvestment, or otherwise, and as augmented by any accretions, [and] additions, and substitutions [that are] included in the definition of [the probate] estate found in [§3(t), Definitions and Use of Terms,] Texas Estates Code §22.012. [Probate Code.]

(7) Federal Poverty Threshold [Level]--Income thresholds provided each year [guidelines established annually] by the U.S. Census Bureau. [federal government.]

(8) Heir--As defined in Texas Estates Code §22.015. [Heirs--Those persons, including the surviving spouse, who are entitled under the statutes of descent and distribution to the estate of a decedent who dies intestate, as defined in §3(e), Definitions and Use of Terms, Texas Probate Code.]

(9) Intestate--To die without leaving a valid will.

(10) Legatee--As [Any person entitled to a legacy under a will, as] defined in [§3(s), Definitions and Use of Terms,] Texas Estates Code §22.021. [Probate Code.]

(11) MERP--The Medicaid Estate Recovery Program. A program within the Texas Health and Human Services Commission (HHSC) administered by the Office of the Inspector General (OIG).

(12) Personal Representative--As defined in Texas Estates Code §22.031. [Includes executor, independent executor, administrator, temporary administrator, together with their successors as defined in §3(aa), Definitions and Use of Terms, Texas Probate Code.]

(13) Recipient--An individual who received covered Medicaid long-term care services. [Medicaid services on or after the effective date of these rules.]

(14) Value of real property--Property value determined by the [current year] tax appraisal district at the time of the filing of the MERP estate claim.

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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Chief Counsel

Texas Health and Human Services Commission

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For further information, please call: (512) 221-7320



SUBCHAPTER B. RECOVERY CLAIMS

1 TAC §§373.201, 373.203, 373.205, 373.207, 373.209, 373.211, 373.213, 373.215, 373.217, 373.219

STATUTORY AUTHORITY

The amendments are authorized by Texas Government Code §524.0151, which provides the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services agencies, and Texas Government Code §546.0403, which requires the executive commissioner to ensure Medicaid implements 42 United States Code §1396p(b)(1), Adjustments or recovery of medical assistance correctly paid under a State Plan, which has been done with the Medicaid Estate Recovery Program.

§373.201. Basis for Claims.

The acceptance of Medicaid medical assistance, as defined by Title XIX of the Social Security Act, including mandatory and optional payments under the Social Security Act, provides a basis for a [for: A] Class 7 probate claim, as defined in [§322 of the] Texas [Probate Code, Classification of Claims against] Estates Code §355.102, [of Decedents,] in favor of MERP [the Medicaid Estate Recovery Program] as an interested party in the estate of the decedent [deceased Medicaid recipient].

§373.203. Claims Procedures.

(a) MERP [The Medicaid Estate Recovery Program (MERP)] may present or file [or present] a [a:] Class 7 probate claim under [§298, Claims Against Estates of Decedents,] Texas Estates Code §355.001, [Probate Code,] against the estate of a decedent [deceased Medicaid recipients] in accordance with Texas Estates Code §355.102. [the pri-

orities contained in §322, Classification of Claims against Estates of Decedents, Texas Probate Code.]

(b) A claim may be filed in accordance with applicable provisions of the Texas Estates [Probate] Code, including §355.060, [§298, Claims Against Estates of Decedents,] which bars [allows] unsecured claims [to be] presented more than 120 calendar days after the [at any time before the estate is closed or within 4 months of receipt of] notice is received by [from] the estate administrator.

§373.205. Medicaid Estate Recovery Program [(MERP)] Claim.

(a) [Contents of MERP Recovery Claim.] The MERP claim will be presented to the estate's [estate personal] representative [(executor, administrator, or guardian)] or filed [by depositing it] in the appropriate Probate Court. This claim [Court and] will include the amount of the claim, the date or dates [of] the covered Medicaid long-term care services were provided, and a statement that, to MERP's [best] knowledge, the decedent does not have [deceased Medicaid recipient had]:

(1) a [No] surviving spouse;

(2) a [No] surviving child under age 21;

(3) a [No] surviving child of any age who is blind or disabled as defined by 42 U.S.C. §1382c;

(4) an [No unmarried] adult child residing continuously in the decedent's homestead as an unmarried individual for at least twelve consecutive months immediately [one year] prior to the decedent's [time of the Medicaid recipient's] death; and

(5) an [That to the best knowledge of the MERP no] undue hardship, as outlined [defined] by these rules [, exists and that recovery will be cost-effective].

(b) A MERP [Medicaid Estate Recovery (MERP)] claim will be filed within 120 calendar [70] days after MERP has actual notice of the death of a decedent [Medicaid recipient] aged 55 years or older who received covered Medicaid long-term care services.

§373.207. Exemptions from Claims.

(a) A MERP claim [Medicaid Estate Recovery claims] will [be sought] only be made after the death of the decedent [Medicaid recipient,] and if there is no:

(1) surviving [Surviving] spouse;

(2) surviving [Surviving] child or children under age 21 [years of age];

(3) surviving [Surviving] child of any age who is blind or disabled as defined by 42 U.S.C. §1382c; or

(4) adult [Unmarried adult] child residing continuously in the decedent's homestead as an unmarried individual for at least twelve consecutive months immediately [one year] prior to the decedent's [time of the Medicaid recipient's] death.

(b) The following [Certain assets and resources of] American Indians (AI) and Alaska Natives (AN) [are exempt from estate recovery claims. The following AI/AN] income, resources, and property are exempt from MERP. [Medicaid Estate Recovery:]

(1) Certain AI/AN income and resources (such as interests in and income derived from Tribal land and other resources currently held in trust status; and judgment funds from the Indian Claims Commission and the U.S. Claims Court) that are exempt from Medicaid estate recovery by other laws and regulations;

(2) Ownership interest in trust or non-trust property, including real property and improvements:

(A) located [~~Located~~] on a reservation (any federally recognized Indian Tribe's reservation, pueblo, or colony, including former reservations in Oklahoma, Alaska Native regions established by Alaska Native Claims Settlement Act and Indian allotments) or near a reservation as designated and approved by the Bureau of Indian Affairs of the U.S. Department of the Interior; or

(B) for [~~For~~] any federally recognized Tribe not described in subparagraph (A) of this paragraph, located within the most recent boundaries of a prior Federal reservation.

(C) protection [~~Protection~~] of non-trust property described in subparagraphs (A) and (B) of this paragraph is limited to circumstances when it passes from an Indian (as defined in section 4 of the Indian Health Care Improvement Act) to one or more relatives (by blood, adoption, or marriage), including Indians not enrolled as a member of a Tribe and non-Indians such as spouses and step-children, that their culture would nevertheless protect as family members; to a Tribe or Tribal organization; and/or to one or more Indians;

(3) Income left as a remainder in an estate derived from property protected in paragraph (2) of this subsection, that was either collected by an Indian, or by a Tribe or Tribal organization and distributed to Indian(s), as long as the individual can clearly trace it as coming from protected property;

(4) Ownership interests left as a remainder in an estate in rents, leases, royalties, or usage rights related to natural resources (including extraction of natural resources or harvesting of timber, other plants and plant products, animals, fish, and shellfish) resulting from the exercise of Federally-protected rights, and income either collected by an Indian, or by a Tribe or a Tribal organization and distributed to Indian(s) derived from these sources, as long as the individual can clearly trace it as coming from protected sources; and

(5) Ownership interests or usage rights to items not covered by paragraphs (1) - (4) of this subsection that have unique religious, spiritual, traditional, and/or cultural significance, or rights that support subsistence or a traditional lifestyle [~~life style~~] according to applicable Tribal law or custom.

(c) American Indians and Alaska Native income, resources, [~~Natives Income, Resources,~~] and property not exempt [~~Property Not Exempt~~] from Medicaid estate [~~Estate~~] recovery [~~Recovery~~] include:

(1) ownership [~~Ownership~~] interests in assets and property, both real and personal, that are not described in subsection (b) of this section; or

(2) any [~~Any~~] income and assets left as a remainder in an estate that do not derive from protected property or sources in subsection (b) of this section.

(d) Government reparation payments to individuals in special populations are exempt from Medicaid estate recovery claims.

§373.209. *Undue Hardship Waivers.*

(a) MERP [~~The Medicaid Estate Recovery Program (MERP)~~] will not recover from estates if recovery would cause undue hardship. An undue hardship waiver request form will be provided with the MERP Notice of Intent to File a Claim. Undue [~~Claim, and undue~~] hardship waiver requests must be made within 60 calendar days of the date of the MERP Notice of Intent to File a Claim.

(b) Grounds for undue hardship waivers include: [~~An undue hardship does not exist solely because:~~]

~~{(1) Recovery would prevent heirs or legatees from receiving an anticipated inheritance; or}~~

~~{(2) The circumstances giving rise to the hardship were created by, or are the result of, estate planning methods under which assets were sheltered or divested contrary to the requirements of Medicaid law in order to avoid estate recovery.}~~

~~{(e) [Undue hardship waivers include:]~~

~~(1) the [~~The~~] estate property subject to recovery has been the site of the operation of a family business, farm, or ranch at that location for at least 12 months prior to the death of the decedent; [~~is the primary income producing asset of heirs and legatees, and~~] produces 50 percent or more of the heirs' and legatees' [~~their~~] livelihood; and recovery by the State would affect the property and result in the heirs or legatees losing their primary source of income;~~

~~(2) heirs [~~Heirs~~] and legatees would become eligible for public assistance, [~~and/or~~] medical assistance, or both [~~assistance~~] if a recovery claim were made;~~

~~(3) allowing [~~Allowing~~] one or more survivors to receive the estate will enable the survivor [~~him or her or them~~] to discontinue eligibility for public assistance, [~~and/or~~] medical assistance, or both; [~~assistance~~];~~

~~(4) the decedent [~~The Medicaid recipient~~] received medical assistance as the result of a crime [~~crime, as defined by Texas law,~~] committed against the recipient; or~~

~~(5) other [~~Other~~] compelling reasons.~~

~~(c) An undue hardship does not exist solely because:~~

~~(1) recovery would prevent heirs or legatees from receiving an anticipated inheritance; or~~

~~(2) the circumstances giving rise to the hardship were created by, or are the result of, estate planning methods under which assets were sheltered or divested contrary to the requirements of Medicaid law in order to avoid estate recovery.~~

~~(d) [~~Undue Hardship Waivers Applicable to Homesteads~~] After receiving a Medicaid estate recovery claim, an heir may assert that recovery against a decedent's [~~deceased Medicaid recipient's~~] homestead would be an undue hardship and [~~that~~] the homestead should therefore be exempt from recovery for the cost of Medicaid long-term care services. MERP [~~The Health and Human Services Commission~~] will exempt a decedent's homestead [~~home~~] from estate recovery based on undue hardship when the following conditions have been established to MERP's satisfaction. [~~the Commission's satisfaction:~~]~~

~~(1) The tax appraisal district value of the homestead for the most recent tax year at the time of the decedent's death is less than \$150,000 [~~\$100,000~~]. If the tax appraisal district value of the homestead for that year exceeds \$150,000, only [~~this amount,~~] the first \$150,000 [~~\$100,000 of the tax appraisal district value for the most recent tax year at the time of the recipients' death~~] shall be exempt from estate recovery. Any equity value [~~of the tax appraisal district value for the most recent tax year at the time of the recipients' death~~] in excess of \$150,000 [~~\$100,000~~] is subject to estate recovery.~~

~~(2) One or more siblings or direct descendants [~~descendants~~] of the decedent [~~deceased person (lineal heir(s), such as children and grandchildren)~~] will inherit the homestead of the decedent, [~~deceased Medicaid recipient,~~] provided that each sibling or direct descendant [~~lineal heir~~] inheriting the homestead has a gross family income below 300 percent of the federal poverty threshold as determined by the previous year's tax return. [~~Federal Poverty Level.~~]~~

~~(3) When there are multiple heirs and not all heirs qualify for the hardship waiver, only that percentage of the homestead that~~

corresponds to the qualifying heir or heirs' share of the homestead will be exempt from Medicaid estate recovery.

(4) "300 percent of the federal poverty threshold" [level] is a gross income test; no exclusions or deductions are allowed.

(5) MERP ["Family" means that the Health and Human Services Commission] will consider each heir separately. Heirs will not be aggregated into one family unless the heirs are minor children who are siblings. In the case of an [the] adult heir, the heir's [his or her] family will be limited to the heir, the heir's spouse, and the heir's biological or legally adopted minor children and stepchildren residing in the household. In the case of an [the] heir who is a minor, the heir's family will be the heir, his or her parent or parents, [parent(s) or] step-parent residing in the household, and the heir's minor siblings residing in the household, including half-, step-, and legally adopted siblings. [Figure: 4 TAC §373.209(d)(5)]

(c) MERP [HHSC] has sole [exclusive] authority to waive its Medicaid estate recovery claim and to grant undue hardship waivers [as determined by the Medicaid Estate Recovery Program (MERP) program on an individual case-by-case basis]. An undue hardship waiver determination will be made by MERP within 40 calendar days of MERP receiving the [receipt of an] undue hardship waiver request form and all required [necessary] supporting documents [by MERP].

[(f) Undue hardship waiver request forms must be submitted to the following address: MERP, Hardship Waiver Request, P.O. Box 13247, Austin, Texas 78711.]

§373.211. *Right to a Review of an Undue Hardship Waiver Denial.*

(a) If MERP denies an [A Medicaid Estate Recovery Program (MERP)] undue hardship waiver request, the applicant may request MERP to [a] review [of] the decision. MERP must receive the request to review the decision [denial of an undue hardship waiver request] within 60 calendar days of the applicant receiving notice of the denial [from MERP]. A [The] review is an informal process and [is] not a hearing.

(b) MERP will review the request within 40 calendar days from the date the request and all supporting documents are [is] received by MERP. All requests for a review of the denial of an undue hardship waiver request must be made in writing to the address included in the denial letter [MERP, Hardship Waiver Denial Review Request, P.O. Box 13247, Austin, Texas 78711].

§373.213. *Deduction Allowed for Expenses for Home Maintenance and Costs of Care.*

(a) An amount of money equal to the necessary and reasonable maintenance expenses and taxes for maintaining the home of the decedent may be deducted from the MERP claim, [Medicaid Estate Recovery Program (MERP) claim for maintaining the home of the deceased Medicaid recipient,] provided [that] sufficient supporting documentation of these expenditures, such as receipts, is provided to MERP by estate personal representatives, heirs, or legatees. Necessary and reasonable expenses for maintaining the home include real estate taxes, utility bills, insurance, home repairs, and home maintenance expenses such as lawn care.

(b) An amount of money equal to the necessary and reasonable [expenses for the direct payment of the] costs of care (including [payment of] personal attendant care) directly paid for the care of the decedent [provided for a deceased Medicaid recipient] that enabled the decedent [recipient] to remain in his or her home and thereby delayed the institutionalization of the decedent [Medicaid recipient] may be deducted from the MERP claim, provided [that] sufficient supporting documentation of these expenditures, such as receipts, is provided to MERP by estate personal representatives, heirs, or legatees.

(c) To get a deduction from MERP [Requests for obtaining allowable deductions from MERP] claims for expenses under subsections (a) or (b) of this section, a request must be made in writing and received by MERP within 60 calendar days after receiving [receipt of] the Notice of the Intent to File a Claim from [by] MERP. All proof of expenses must be attached to the request. [supporting documentation must be attached to the request and sent to MERP, Home Maintenance/Costs of Care Request, P.O. Box 13247, Austin, Texas 78711.]

§373.215. *Recovery Not Cost-Effective.*

No Medicaid estate recovery claim will be filed if it is not cost effective. A claim will not be cost-effective if:

(1) the value of the recoverable estate is \$15,000 [\$10,000] or less;[;]

(2) the recoverable amount of Medicaid costs is \$5,000 [\$3,000] or less;[;]

(3) the cost involved in the sale of the property would be equal to or greater than the value of the property.

§373.217. *Claim Amount.*

(a) The amount of the MERP [Medicaid Estate Recovery Program (MERP)] claim will be [calculated as] the amount paid for covered Medicaid long-term care services provided for [under §373.103(e) of this title for] the benefit of the decedent [a Medicaid recipient for covered medical assistance services received] after the decedent turned [Medicaid recipient reached] 55 years old [of age].

[(b) No claim will be filed for services received prior to the effective date of these rules.]

(b) [(e)] The [claim] amount of the MERP claim may be amended both before [prior to] and after MERP files the recovery claim.

(c) MERP claims include payments made directly by Medicaid to health care providers and the monthly capitation payments made to a Managed Care Organization (MCO).

§373.219. *Claim Payments.*

(a) All payments on estate recovery claims must be made payable to [the] "Texas Medicaid Estate Recovery Program" [Account for Long-Term Care,] and must be sent to the address provided in MERP's official correspondence. [MERP, P.O. Box 13247, Austin, Texas 78711.]

(b) [HHSC] MERP may compromise, settle, or waive any claim that does not qualify for an undue hardship waiver upon good cause shown. Interest on the unpaid portion of any claim shall be [is] the rate [same as the amount] provided under Texas [§2251.025(b),] Government Code §2251.025(b).

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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Texas Health and Human Services Commission

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For further information, please call: (512) 221-7320



SUBCHAPTER C. NOTICE

1 TAC §§373.301, 373.303, 373.305, 373.307

STATUTORY AUTHORITY

The amendments are authorized by Texas Government Code §524.0151, which provides the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services agencies, and Texas Government Code §546.0403, which requires the executive commissioner to ensure Medicaid implements 42 United States Code §1396p(b)(1), Adjustments or recovery of medical assistance correctly paid under a State Plan, which has been done with the Medicaid Estate Recovery Program.

§373.301. *Notice Upon Application.*

(a) Written notice of the MERP provisions will be provided to individuals or their legal representative when applying for covered Medicaid long-term care services. [to:]

(b) An individual

[(1) Individuals for Medicaid-covered nursing facility services:]

[(A) With an application packet or notice of eligibility for Medicaid nursing facility services;]

[(B) Within 14 days of the Department of Aging and Disability Services' receipt of a nursing facility admission notice for a Medicaid recipient.]

[(2) Individuals for Medicaid-covered Home and Community-Based Services (§1915 (e), Social Security Act) and Community Attendant Services (§1929(b), Social Security Act):]

[(A) Prior to an individual's signing an election statement for Home and Community-Based Services, as an alternative to institutionalization; or]

[(B) At the initial home visit for Community Attendant Services;]

[(3) Individuals for Medicaid-covered mental retardation services by the Local Mental Retardation Authority, in conjunction with other notification described in:]

[(A) 40 TAC §9.244, for Intermediate Care Facilities for the Mentally Retarded;]

[(B) 40 TAC §9.164, for the Home and Community-Based Services waiver; and]

[(C) 40 TAC §9.567, for the Texas Home Living waiver.]

[(4) [Individuals] committed by a court order to an Intermediate Care Facility for Individuals with an Intellectual Disability or Related Conditions (ICF/IID) after an [for] evaluation of fitness or competency, or that individual's guardian, [competency to state Intermediate Care Facilities for the Mentally Retarded (ICFMR)] will be notified of the MERP provisions by facility [faculty] staff at the time of their admission to the facility.

[(b) Medicaid long-term care services provided before the effective dates of these rules are not covered services for the purpose of MERP.]

§373.303. *Additional Application Notice Provision to Recipients and Others.*

(1) the [The] recipient;

(2) the [The] recipient's guardian of the person, if any, [;] and guardian of the estate, if [any; or guardian of the person and es-

tate, if] any, provided [that] the name and address of the guardian or guardians are known;

(3) the [The] recipient's agent under a durable power of attorney, if the name and address of the agent are known;

(4) the [The] recipient's agent under a medical power of attorney, if the name and address of the agent are known; or

(5) if [If] none of the above are known, to family members acting on behalf of the recipient, provided [that] the name and address of those family members acting on behalf of the recipient are known.

§373.305. *Medicaid Application Estate Recovery Notice Contents.*

(1) description [Description] of MERP; [the Medicaid Estate Recovery Program;]

(2) information [Information] as to covered Medicaid long-term care services subject to estate recovery;

(3) claim [Claim] procedures found in Texas Estates Code §355.102; [§322, Classification of Claims Against Estates of Deceaseds, Texas Probate Code;]

(4) information about the [Information as to] applicable "look-back period" ["look-back" penalties] for transfers of property for less than market value; [when applying for Medicaid benefits described at 1 TAC §358.430(e);]

(5) description [Description] of undue hardship waiver requests regarding a recovery claim and the [and related request] procedures for requesting that waiver; [in regard to any recovery claim;] and

(6) information about the [Information concerning the] MERP Notice of Intent to File a Claim and the Medicaid estate recovery claim [Estate Recovery Claim] on the death of a Medicaid recipient.

§373.307. *Notice of Intent to File a [A] Claim upon the Death of a Medicaid Recipient.*

(a) Within 60 calendar [The Medicaid Estate Recovery Program (MERP) will, within 30] days of being notified of the [notification of the] death of a Medicaid recipient, MERP will provide a Notice of Intent to File a Claim[;] to one or more of the following:

(1) estate [Estate] representative;

(2) decedent's [Recipient's] guardian of the person and [person, if any;] guardian of the estate, [if any; or guardian of the person and estate, if any,] provided MERP knows [that] the name and address of the guardian or guardians [are known by MERP];

(3) decedent's [Recipient's] agent under a durable power of attorney, if MERP knows the name and address of the agent [are known by MERP];

(4) decedent's [Recipient's] agent under a medical power of attorney, if MERP knows the name and address of the agent [are known by MERP]; [or]

(5) a nursing facility who provided covered Medicaid services;

(6) last known address connected to the decedent; and

(7) if MERP does not know [(5) If none of the above are known, family members who have acted on behalf of the recipient provided that] the name and address of any of the people listed above, [those] family members who have acted on behalf of the decedent for whom [recipient are known by] MERP knows their names and addresses.

(b) ~~MERP will provide written~~ [Contents of Notice of Intent to File a Claim. ~~Written~~] notice of MERP's intent to file an estate recovery claim against the estate of a decedent [~~deceased Medicaid recipient for covered services will be provided~~] to individuals identified in subsection (a) of this section. The notice will include [~~the following~~]:

(1) ~~a~~ [A] program overview;

(2) ~~a~~ [A] questionnaire that seeks to determine whether the decedent [~~deceased recipient~~] had:

(A) ~~a~~ [A] surviving spouse;

(B) ~~a~~ [A] surviving child under age 21;

(C) ~~a~~ [A] surviving child of any age who is blind or disabled, as defined by 42 U.S.C. §1382c; or

(D) ~~an~~ [An ~~unmarried~~] adult child residing [~~continuously~~] in the decedent's homestead as an ~~unmarried individual~~ for at least twelve consecutive months immediately [~~one year~~] prior to the decedent's [~~time of the Medicaid recipient's~~] death.

(c) [~~An undue hardship waiver request form.~~] Undue hardship request forms and supporting documentation must be submitted to MERP within 60 calendar days of the date of the Notice of Intent to File a Claim. No action will be taken on an undue hardship request [~~that is~~] submitted without supporting documentation. [~~The request form and documentation should be sent to MERP, Hardship Waiver Request, P.O. Box 13247, Austin, Texas 78711.~~]

(d) The Notice of Intent to File a Claim will state the [~~date that MERP received notification of the death of a Medicaid recipient and the~~] source and the date MERP received the [~~of the death~~] notification of the ~~death of the decedent~~ [~~Medicaid recipient~~].

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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Texas Health and Human Services Commission

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TITLE 10. COMMUNITY DEVELOPMENT

PART 5. OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM OFFICE

CHAPTER 181. TEXAS LEVERAGE FUND PROGRAM

10 TAC §§181.1 - 181.10

The Office of the Governor, Economic Development and Tourism Office ("Office") proposes the repeal of 10 TAC §§181.1 - 181.10, concerning the Texas Leverage Fund.

EXPLANATION OF PROPOSED REPEALS

The Texas Leverage Fund was established by a 1992 Master Resolution of the former Texas Department of Commerce to pro-

vide an additional source of financing to communities with Economic Development Corporations that have adopted the Texas Economic Development Sales and Use Tax (Type A/Type B). The Texas Economic Development Bank ("Bank") performs the duties and functions of the Office under Texas Government Code Chapter 489 with respect to the Texas Leverage Fund.

The Master Resolution expired on August 31, 2022, and was not renewed. Because statutory authority to amend and extend the Master Resolution was unclear, the Bank stopped accepting new loan applications. All commercial paper issued under the Master Resolution has been paid off, and the Office has completed its winddown of program operations under that Master Resolution-based framework. Statutory authority for a successor program under Texas Government Code Chapter 489, Subchapter E remains; however, 10 TAC Chapter 181 implements the former Master Resolution-based structure and is obsolete. Accordingly, the proposed repeal removes obsolete regulations.

The repeal of §§181.1 - 181.10 removes the entirety of 10 TAC Chapter 181.

FISCAL NOTE

Adriana Cruz, Executive Director of the Economic Development and Tourism Office, Office of the Governor, has determined that for each year of the first five years the proposed repeals are in effect, no fiscal implications are anticipated for state or local governments as a result of enforcing or administering the proposed repeal.

LOCAL EMPLOYMENT IMPACT STATEMENT

Mrs. Cruz has also determined that the proposed repeal is not expected to have a measurable effect on local employment or local economies; therefore, the Office is not required to prepare a local employment impact statement under Texas Government Code §2001.022.

PUBLIC BENEFIT AND COSTS

Mrs. Cruz 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 enforcing or administering this repeal will be administrative efficiency and conformity with current law. Because the program has been wound up and no longer has participants, there are no measurable anticipated economic costs to persons required to comply with the proposed repeal and there will be no anticipated adverse economic effect on small businesses, micro-businesses, or rural communities. Because the Office has determined that the proposed repeal will have no adverse economic effect on small businesses, micro-businesses, or rural communities, preparation of an Economic Impact Statement and a Regulatory Flexibility Analysis, as detailed under Texas Government Code §2006.002, is not required.

GOVERNMENT GROWTH IMPACT STATEMENT

Pursuant to Government Code § 2001.0221, the Office has determined that for each year of the first five years the repeal is in effect:

- the repeal does not create or eliminate a government program;
- it does not require the creation or elimination of positions;
- it does not require an increase or decrease in future legislative appropriations;
- it does not affect fees paid to the agency;
- it does not create a new regulation;

it repeals existing regulations;

it does not change the number of individuals subject to regulation; and

it does not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT

Mrs. Cruz has determined that the proposed repeal does not affect private real property interests and does not restrict, limit, or impose a burden on an owner's rights to the owner's private real property that would otherwise exist in the absence of government action. As a result, the proposed repeal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

SUBMISSION OF COMMENTS

Comments on the proposed repeal may be submitted for 30 days following the date of publication of this notice in the *Texas Register* by mail to William Jackson, Office of the Governor, Economic Development and Tourism Office, P.O. Box 12428, Austin, Texas 78711, or by email to william.jackson@gov.texas.gov with the subject line "Texas Leverage Fund Program Rule Review."

STATUTORY AUTHORITY

This repeal is proposed under Texas Government Code §489.002, which authorizes the Office to adopt rules necessary to carry out the purposes of Chapter 489.

CROSS REFERENCE TO STATUTE

Texas Government Code, §§489.002 and 489.108. No other statutes, articles, or codes are affected by the proposed repeal.

§181.1. *Texas Leverage Fund General Rules.*

§181.2. *Definitions.*

§181.3. *Program.*

§181.4. *Program Loan Limitations.*

§181.5. *Eligible Projects.*

§181.6. *Consideration of Applications by the Office.*

§181.7. *Contents of Application.*

§181.8. *General Terms and Conditions of the Office's Financial Commitment.*

§181.9. *Loan Closing.*

§181.10. *Loan Administration.*

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 March 5, 2026.

TRD-202601111

Adriana Cruz

Executive Director

Office of the Governor, Economic Development and Tourism Office

Earliest possible date of adoption: April 19, 2026

For further information, please call: (512) 463-2000



TITLE 16. ECONOMIC REGULATION

PART 4. TEXAS DEPARTMENT OF LICENSING AND REGULATION

CHAPTER 73. ELECTRICIANS

16 TAC §73.100

The Texas Department of Licensing and Regulation (Department) proposes amendments to an existing rule at 16 Texas Administrative Code (TAC), Chapter 73, §73.100, regarding the Electricians program. These proposed changes are referred to as "proposed rules."

EXPLANATION OF AND JUSTIFICATION FOR THE RULES

The rules under 16 TAC, Chapter 73, implement Texas Occupations Code, Chapter 1305, Electricians.

The proposed rules adopt the 2026 National Electrical Code (NEC) published by the National Fire Protection Association (NFPA) as the state's electrical code, with one modification. The proposed rules are necessary for the Department to comply with its statutory responsibilities under Occupations Code §1305.101(a)(2), while balancing concerns of public safety and workability.

An updated NEC is published by NFPA every three years. Under Occupations Code §1305.101(a)(2), the Department is required to adopt the most recent version of the NEC as the state's electrical code. Traditionally, this has been accomplished by amendment to the rule at §73.100, Technical Requirements, which specifies the current electrical code, and the Commission has approved deviations from the NEC when necessary. Section 90.4 of the 2026 NEC authorizes the Department to waive specific code requirements when doing so will not have a negative impact on safety.

The 2020 NEC included in Section 210.8(F) a requirement that certain outdoor outlets be equipped with ground-fault circuit interrupter (GFCI) technology. GFCI technology is a safety feature designed to prevent electric shock by opening a circuit in response to detected leakage current. In 2020, individuals and representatives of the air conditioning service industry expressed concerns that GFCI technology was incompatible with heating, ventilation, and air conditioning (HVAC) equipment and would lead to nuisance tripping, which had the potential to cause air conditioning outages during the hot summer months and endanger public safety. In response to these concerns, by an emergency rulemaking (46 TexReg 7781) the Commission approved a temporary exemption from compliance with Section 210.8(F) until January 1, 2023. In a later standard rulemaking (47 TexReg 7680), the Commission extended this exemption indefinitely. The 2023 NEC, which was adopted by the Commission as published by NFPA (48 TexReg 4654), did not include the GFCI requirement for outdoor outlets.

The 2026 NEC as published by NFPA reverses course and again includes the GFCI requirement of Section 210.8(F), with an exception, stating, "Exception No. 2: GFCI protection shall not be required for listed HVAC equipment. This exception shall expire September 1, 2026." Because the compatibility issues that pose a risk for nuisance tripping and air conditioning outages have not yet been resolved, the proposed rules modify "Exception No. 2" to extend the exception without an expiration date.

Advisory Board Recommendations

The proposed rules were presented to and discussed by the Electrical Safety and Licensing Advisory Board at its meeting

on January 29, 2026. The Advisory Board made the following changes to the proposed rules: removed the expiration date of the exemption of certain outdoor HVAC outlets from GFCI requirements. The Advisory Board voted and recommended that the proposed rules with changes be published in the *Texas Register* for public comment.

SECTION-BY-SECTION SUMMARY

The proposed rules amend §73.100. The section is divided into two subsections for clarity. The existing rule text is placed in subsection (a) and is modified to reflect the year and NFPA publication date of the 2026 NEC, the effective date of the rule, and that an exception is set forth in subsection (b). New subsection (b) specifies that NFPA's "Exception No. 2" is extended without expiration.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT

Tony Couvillon, Senior Policy Research and Budget Analyst, has determined that for each year of the first five years the proposed rules are in effect, there are no estimated additional costs or reductions in costs to state or local government as a result of enforcing or administering the proposed rules.

Tony Couvillon, Senior Policy Research and Budget Analyst, has determined that for each year of the first five years the proposed rules are in effect, there is no estimated increase or loss in revenue to the state or local government as a result of enforcing or administering the proposed rules.

LOCAL EMPLOYMENT IMPACT STATEMENT

Because Mr. Couvillon has determined that the proposed rules will not affect a local economy, the agency is not required to prepare a local employment impact statement under Texas Government Code §2001.022.

PUBLIC BENEFITS

Mr. Couvillon also has determined that for each year of the first five-year period the proposed rules are in effect, the public benefit will be increased electrical safety through the establishment of consistent minimum statewide standards for electrical work.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL

Mr. Couvillon has determined that for each year of the first five-year period the proposed rules are in effect, there will be minimal anticipated economic costs to persons who are required to comply with the proposed rules. Any costs will be associated with compliance with the latest version of the NEC, which is in most respects similar to the prior version. Each individual's costs or savings will vary.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES

There will be no adverse economic effect on small businesses, micro-businesses, or rural communities as a result of the proposed rules. Because the agency has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities, preparation of an Economic Impact Statement and a Regulatory Flexibility Analysis, as detailed under Texas Government Code §2006.002, is not required.

ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT

The proposed rules have a fiscal note that imposes a cost on regulated persons, including another state agency, a special district, or a local government; however, the proposed rules fall under the exception for rules that are necessary to protect the health, safety, and welfare of residents of this state under §2001.0045(c)(6). Therefore, the agency is not required to take any further action under Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT

Pursuant to Texas Government Code §2001.0221, the agency provides the following Government Growth Impact Statement for the proposed rules. For each year of the first five years the proposed rules will be in effect, the agency has determined the following:

1. The proposed rules do not create or eliminate a government program.
2. Implementation of the proposed rules does not require the creation of new employee positions or the elimination of existing employee positions.
3. Implementation of the proposed rules does not require an increase or decrease in future legislative appropriations to the agency.
4. The proposed rules do not require an increase or decrease in fees paid to the agency.
5. The proposed rules do not create a new regulation.
6. The proposed rules do not expand, limit, or repeal an existing regulation.
7. The proposed rules do not increase or decrease the number of individuals subject to the rules' applicability.
8. The proposed rules do not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT

The Department has determined that no private real property interests are affected by the proposed rules and the proposed rules do not restrict, limit, or impose a burden on an owner's rights to his or her private real property that would otherwise exist in the absence of government action. As a result, the proposed rules do not constitute a taking or require a takings impact assessment under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES

The Department is requesting public comments on the proposed rules and information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis. Any information that is submitted in response to this request must include an explanation of how and why the submitted information is specific to the proposed rules. Please do not submit copyrighted, confidential, or proprietary information.

Comments on the proposed rules and responses to the request for information may be submitted electronically on the Department's website at https://ga.tdlr.texas.gov:1443/form/ELE_Rule_Making; by facsimile to (512) 475-3032; or by mail to Monica Nuñez, Legal Assistant, Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711. The deadline for comments is 30 days after publication in the *Texas Register*.

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 1305, which authorize the Texas Commission of Licensing and Regulation, the Department's governing body, to adopt rules as necessary to implement these chapters and any other law establishing a program regulated by the Department.

The statutory provisions affected by the proposed rules are those set forth in Texas Occupations Code, Chapters 51 and 1305. No other statutes, articles, or codes are affected by the proposed rules.

§73.100. Technical Requirements.

(a) Except as provided in subsection (b), effective September 1, 2026, the department adopts the 2026 National Electrical Code (NEC) as approved by the National Fire Protection Association, Inc. on September 9, 2025. [Effective September 1, 2023, the department adopts the 2023 National Electrical Code as approved by the National Fire Protection Association, Inc. on August 12, 2022.]

(b) Pertaining to NEC Section 210.8, Ground-Fault Circuit Interrupter Protection for Personnel, subsection (F), Outdoor Outlets: the department adopts Exception No. 2, relating to the exemption of listed heating, ventilation, and air conditioning equipment, without expiration.

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 March 6, 2026.

TRD-202601112

Doug Jennings

General Counsel

Texas Department of Licensing and Regulation

Earliest possible date of adoption: April 19, 2026

For further information, please call: (512) 475-4879



TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 74. CURRICULUM REQUIREMENTS

SUBCHAPTER EE. COMPUTATION OF HIGH SCHOOL GRADE POINT AVERAGE

19 TAC §74.3001

The Texas Education Agency (TEA) proposes new §74.3001, concerning computation of high school grade point average (GPA). The proposed new rule would reflect the requirements of Senate Bill (SB) 1191, 89th Texas Legislature, Regular Session, 2025, and identify minimum requirements for school districts when computing a student's high school GPA.

BACKGROUND INFORMATION AND JUSTIFICATION: Texas Education Code (TEC), §28.0252, as amended by SB 1191, 89th Texas Legislature, Regular Session, 2025, requires the commissioner of education to develop a standard method of computing a student's high school GPA. The standard computation method must grant equal weight to non-career and technical education (CTE) advanced placement (AP) courses, international baccalaureate (IB) courses, OnRamps dual enrollment courses,

and dual credit courses completed by a student. The standard method must grant a different amount of weight to dual credit CTE courses. School districts must use the standard method developed by the commissioner to compute students' high school GPAs.

Prior to the adoption of SB 1191, TEC, §28.0252, was permissive, allowing the commissioner to develop a standard method of computing a student's high school GPA that provided for additional weight to be given to each honors, AP, IB, or dual credit course completed by a student. However, a standard method for computing high school GPAs was not established at any time; therefore, school districts were permitted to implement local high school GPA computation methods.

The proposed new rule would establish minimum requirements for calculating high school GPA to identify the types of courses that are required to be weighted; ensure that non-CTE AP courses, IB courses, OnRamps dual enrollment courses, and dual credit courses are weighted equally; and weight dual credit CTE courses and non-CTE courses differently.

FISCAL IMPACT: Monica Martinez, associate commissioner for standards and programs, has determined that for the first five-year period the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation to establish a standard method of computing a student's high school GPA.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Martinez has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to establish standard minimum requirements for computing a student's high school GPA in accordance with

SB 1191. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no data and reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and 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 on the proposal begins March 20, 2026, and ends April 20, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on March 20, 2026. A form for submitting public comments is available on the TEA website at [https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_\(TAC\)/Proposed_Commissioner_of_Education_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/).

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code, §28.0252, as amended by Senate Bill 1191, 89th Texas Legislature, Regular Session, 2025, which requires the commissioner of education to develop a standard method of computing a student's high school grade point average that school districts must use.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §28.0252, as amended by Senate Bill 1191, 89th Texas Legislature, Regular Session, 2025.

§74.3001. Computation of High School Grade Point Average.

(a) Effective beginning with students who enter Grade 7 in the 2027-2028 school year or later, in accordance with Texas Education Code (TEC), §28.0252, the board of trustees of each school district shall adopt a grade point average policy in accordance with subsection (b) of this section.

(b) A school district grade point average policy shall provide for additional weight to be given certain courses as follows:

(1) an additional equal weight for each dual credit course not included in the Workforce Education Course Manual (WECM) or its successor adopted by the Texas Higher Education Coordinating Board (THECB), advanced placement course, international baccalaureate course, and OnRamps dual enrollment course completed by a student;

(2) an additional weight that is less than the weight given to a course listed in paragraph (1) of this subsection for each dual credit course included in the WECM or its successor adopted by the THECB completed by a student; and

(3) an additional weight for each honors course completed by a student if a school district offers honors courses.

(c) A school district shall use the standard method of computing a student's high school grade point average adopted by the district to compute each applicable student's high school grade point average.

(d) An adopted grade point average policy that applies to a cohort of students shall remain unchanged for that cohort through high school graduation.

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 March 9, 2026.

TRD-202601130

Cristina De La Fuente-Valadez

Director, Rulemaking

Texas Education Agency

Earliest possible date of adoption: April 19, 2026

For further information, please call: (512) 475-1497

TITLE 22. EXAMINING BOARDS

PART 9. TEXAS MEDICAL BOARD

CHAPTER 186. MEDICAL RADIOLOGIC TECHNOLOGY

SUBCHAPTER C. NON-CERTIFIED

TECHNICIAN REGISTRATION AND PRACTICE REQUIREMENTS

22 TAC §186.26

The Texas Medical Board (Board) proposes an amendment concerning Chapter 186, Medical Radiologic Technology, Subchapter C, concerning Non-Certified Technician Registration and Practice Requirements, §186.26.

The proposed amendment to rule §186.26 corrects the minimum number of hours required for the completion of an NCT educational program. Specifically, the amendment clarifies that only one (or more) of an anatomy unit must be completed within that program, but not all.

The proposed amendment to §186.26, relating to Non-Certified Technician Registration and Practice Requirements, clarifies that the rule does not require 120 classroom hours, but rather, the educational standard is met upon completion of the minimum hours required by an approved program within each topic area. The proposed amendment further clarifies that, within an approved program, a non-certified technician is required to complete one or more of the units of applied human anatomy on the list.

Scott Freshour, General Counsel for the Texas Medical Board, has determined that, for each year of the first five years the proposed amendment is in effect, the public benefit anticipated as a result of enforcing the proposed amendment will be to clarify the requirements for education standards for non-certified technicians.

Mr. Freshour has also determined that for the first five-year period the proposed amendment rule is in effect, there will be no fiscal impact or effect on government growth as a result of enforcing the proposed amendment rule.

Mr. Freshour has also determined that for the first five-year period the proposed amendment rule is in effect there will be no

probable economic cost to individuals required to comply with the proposed amendment rule.

Pursuant to Texas Government Code §2006.002, the agency provides the following economic impact statement for the proposed amendment rule and determined that for each year of the first five years the proposed amendment rule will be in effect there will be no effect on small businesses, micro businesses, or rural communities. The agency has considered alternative methods of achieving the purpose of the proposed amendment rule and found none.

Pursuant to Texas Government Code §2001.024(a)(4), Mr. Freshour certifies that this proposal has been reviewed and the agency has determined that for each year of the first five years the proposed amendment rule is in effect:

- (1) there is no additional estimated cost to the state or to local governments expected as a result of enforcing or administering the proposed amendment rule;
- (2) there are no estimated reductions in costs to the state or to local governments as a result of enforcing or administering the proposed amendment rule;
- (3) there is no estimated loss or increase in revenue to the state or to local governments as a result of enforcing or administering the proposed amendment rule; and
- (4) there are no foreseeable implications relating to cost or revenues of the state or local governments with regard to enforcing or administering the proposed amendment rule.

Pursuant to Texas Government Code §2001.024(a)(6) and §2001.022, the agency has determined that for each year of the first five years the proposed amendment rule will be in effect, there will be no effect on local economy and local employment.

Pursuant to Government Code §2001.0221, the agency provides the following Government Growth Impact Statement for the proposed amendment rule. For each year of the first five years the proposed amendment rule will be in effect, Mr. Freshour has determined the following:

- (1) The proposed amendment rule does not create or eliminate a government program.
- (2) Implementation of the proposed amendment rule does not require the creation of new employee positions or the elimination of existing employee positions.
- (3) Implementation of the proposed amendment rule does not require an increase or decrease in future legislative appropriations to the agency.
- (4) The proposed amendment rule does not require an increase or decrease in fees paid to the agency.
- (5) The proposed amendment rule does not create new regulations.
- (6) The proposed amendment rule does not repeal existing regulations as described above. The proposed amendment rule does not expand or limit an existing regulation.
- (7) The proposed amendment rule does not increase the number of individuals subject to the rules' applicability.
- (8) The proposed amendment rule does not positively or adversely affect this state's economy.

Comments on the proposals may be submitted using this link: <https://forms.cloud.microsoft/g/Y9emrgjADA> or e-mail comments to: rules.development@tmb.state.tx.us. A public hearing will be held at a later date.

The proposed amendment rule is proposed under the authority of Texas Occupations Code §§153.001 and §601.052 and §601.0522, which provides authority for the Board to adopt rules necessary to administer and enforce the *Medical Radiologic Technologist Certification Act* and to adopt rules necessary to regulate and license non-certified technicians.

No other statutes, articles or codes are affected by this proposal.

§186.26. *Education Standards for Non-Certified Technician [(NCT)].*

(a) Placement on the Non-Certified Technician [(NCT)] registry requires successful completion of an approved program that meets [of 120 total classroom hours with] the following minimum requirements:

(1) radiation safety and protection for the patient, self and others--22 classroom hours;

(2) image production and evaluation--24 classroom hours; and

(3) radiographic equipment maintenance and operation--16 classroom hours including at least 6 hours of quality control, darkroom, processing, and Texas for Control of Radiation; and

(4) one or more of the following units of applied human anatomy and radiologic procedures of the:

(A) skull (5 views: Caldwell, Townes, Waters, AP/PA, and lateral)--10 classroom hours;

(B) chest--8 classroom hours;

(C) spine--8 classroom hours;

(D) abdomen, not including any procedures utilizing contrast media--4 classroom hours;

(E) upper extremities--14 classroom hours; and/or

(F) lower extremities--14 classroom hours.

(b) The training program hours must be live, in-person, and directed by an approved instructor.

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 March 3, 2026.

TRD-202601083

Scott Freshour

General Counsel

Texas Medical Board

Earliest possible date of adoption: April 19, 2026

For further information, please call: (512) 305-7059



PART 11. TEXAS BOARD OF NURSING
CHAPTER 216. CONTINUING COMPETENCY
22 TAC §§216.1, 216.5, 216.7 - 216.9, 216.11

BACKGROUND. The Texas Board of Nursing (Board) proposes amendments to Board Rules §§216.1, 216.5, 216.7 - 216.9 and 216.11 to implement the requirements of Senate Bill 912, which added Texas Occupations Code §§112.101-112.106. This bill requires the Board to establish a continuing education tracking system to verify that licensees have complied with continuing competency requirements prior to renewal of a license. The proposed amendments to 22 Texas Administrative Code Chapter 216, relating to Continuing Competency, are intended to implement Senate Bill 912 by establishing and integrating a continuing education tracking system for verifying licensee compliance.

SECTION-BY-SECTION SUMMARY OVERVIEW.

Section 216.1 contains definitions for Chapter 216. The Board proposes to revise the definition of "Audit" to clarify that audits may involve a general review of licensees and monitoring of the continuing education tracking system vendor, rather than being limited to a random sampling conducted during a biennial licensing period. The amendments also add a new definition for "Continuing education tracking system," defined as an electronic system established by the Board in accordance with Texas Occupations Code §§112.104 and 112.105. Existing definitions in the section are renumbered as necessary to accommodate the addition of the new term.

Section 216.5 establishes additional methods by which a licensee may demonstrate compliance with continuing competency requirements, other than by submitting evidence of completed continuing nursing education (CNE) hours or an approved national nursing certification. The proposed amendments to §216.5 transition documentation requirements for these alternative methods from the current reactive, audit-based submission process to a proactive requirement that licensees upload sufficient documentation and information to the continuing education tracking system. Under the proposed amendments, licensees are required to upload documentation verifying completion of qualifying academic courses, development or presentation of approved programs, and publication of eligible manuscripts, rather than submitting documentation only upon audit.

Section 216.7 establishes the responsibilities of individual licensees with respect to recordkeeping and verification of continuing competency activities. The proposed amendments to §216.7 clarify these responsibilities by maintaining the requirement that licensees retain records of general continuing nursing education activities for a minimum of three consecutive licensing periods, while proposing removal of language specifying forms of documentation to be submitted upon audit. The proposed amendments also add a provision requiring licensees to upload all documentation and information necessary to verify completion of continuing competency requirements to the continuing education tracking system prior to license renewal or reactivation.

Section 216.8 establishes the process for renewal, reactivation, and other forms of relicensure. The proposed amendments to §216.8 incorporate use of the continuing education tracking system into the relicensure framework by proposing that licensees attest, upon renewal, that they have complied with the requirement to upload verification documentation to the tracking system. The proposed amendments further require that licensees seeking renewal of a delinquent license or reactivation of an inactive license upload sufficient documentation to the tracking system to verify completion of required continuing education or maintenance of approved national nursing certification. Addi-

tional conforming amendments align the renewal, delinquency, and reactivation processes with the proposed verification framework.

Section 216.9 establishes the Board's audit process for verifying compliance with continuing competency requirements. The proposed amendments to §216.9 align the audit process with the continuing education tracking system by proposing that the Board review documentation and information previously uploaded to the system and request additional materials as necessary to verify compliance. The proposed amendments also remove obsolete provisions describing prior random sampling procedures and specific submission formats in order to comport with the proposed continuing education tracking system procedures.

Section 216.11 establishes the consequences of noncompliance with continuing competency requirements. The proposed amendments to §216.11 clarify that failure to demonstrate compliance upon audit, falsely attesting to completion of continuing competency requirements, or falsification of records would constitute unprofessional conduct and grounds for disciplinary action, in addition to denial of license renewal.

FISCAL NOTE. Dr. Kristin Benton, RN, DNP, Executive Director, has determined that for each year of the first five years the proposed new sections will be in effect, there will be no anticipated change in the revenue to state or local government as a result of the enforcement or administration of the proposal.

PUBLIC BENEFIT/COST NOTE. Dr. Benton has determined that, for each year of the first five years the proposed amendments are in effect, the anticipated public benefit will be the adoption of amendments that implement a statutorily required continuing education tracking system and provide clear notice to licensees and the public regarding requirements for establishing compliance with continuing competency standards.

There are no anticipated costs of compliance associated with the proposed amendments. The proposed amendments do not impose new fees, requirements, or conditions that would result in additional expenditures by licensees or other regulated entities.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES. The Government Code §2006.002(c) and (f) require that if a proposed rule may have an economic impact on small businesses, micro-businesses, or rural communities, state agencies must prepare, as part of the rule-making process, an economic impact statement that assesses the potential impact of the proposed rule on these businesses and communities and a regulatory flexibility analysis that considers alternative methods of achieving the purpose of the rule.

These proposed amendments cannot reasonably be expected to result in adverse economic effects on small businesses, micro-businesses, or rural communities. Because the agency has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities, preparation of an Economic Impact Statement and a Regulatory Flexibility Analysis, as detailed under Texas Government Code §2006.002, is not required.

GOVERNMENT GROWTH IMPACT STATEMENT. The Board is required, pursuant to Texas Government Code §2001.0221 and 34 Texas Administrative Code §11.1, to prepare a government growth impact statement. The Board has determined for each year of the first five years the proposed amendments will be in

effect: (i) the proposal does not create or eliminate a government program; (ii) implementation of the proposal does not require the creation of new employee positions or the elimination of existing employee positions; (iii) implementation of the proposal does not require an increase or decrease in future legislative appropriations to the Board, as the Board intends to shift necessary resources to comply with the statutory mandate; (iv) the proposal does not require an increase or decrease in fees paid to the Board; (v) the proposal does not create a new regulation; (vi) the proposal does not expand or repeal an existing regulation; (vii) the proposed rule does not increase or decrease the number of individuals subject to the rule's applicability; and (viii) the proposal does not have an effect on the state's economy.

TAKINGS IMPACT STATEMENT. The Board has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a takings impact assessment under the Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. Comments on this proposal may be submitted to James W. Johnston, General Counsel, Texas Board of Nursing, 1801 Congress Avenue, Suite 10-200, Austin, Texas 78701, or by e-mail to dusty.johnston@bon.texas.gov. Comments must be received no later than thirty (30) days from the date of publication of this proposal. If a hearing is held, written and oral comments presented at the hearing will be considered.

STATUTORY AUTHORITY. These amendments are proposed under the authority of Texas Occupations Code §§301.151, 301.303, 112.104 & 112.106.

CROSS REFERENCE TO STATUTE. The following statutes are affected by this proposal: Texas Occupations Code §§301.151, 301.303 & 112.101-112.106.

§216.1. Definitions.

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

(1) - (4) (No change.)

(5) **Audit**--A review of licensees [A random sample of licensees selected] to verify satisfactory completion of the Board's requirements for continuing competency and to monitor the performance of the Board's continuing education tracking system vendor. [during a biennial licensing period.]

(6) - (12) (No change.)

(13) **Continuing education tracking system**--An electronic system established by the Board in accordance with Texas Occupations Code §§112.104 and 112.105.

(14) [(43)] **Credentialing agency**--An organization recognized by the Board as having met nationally predetermined criteria to approve programs and providers of CNE.

(15) [(44)] **Licensing period**--Period of time in which nursing licensure status is current; determined by the licensee's birth month and year, usually beginning on the first day of the month after the birth month and ending on the last day of the birth month. The specific time frame for initial licensure and for the immediate licensing period following renewal of a delinquent license or license reactivation may vary from six months to 29 months, as determined by Board policies; subsequent licensing periods will be two years in length.

(16) [(45)] **Prescriptive authority**--Authorization granted to an APRN who meets the requirements to prescribe or order a drug or device, as set forth in Chapter 222 of this title (relating to Advanced Practice Registered Nurses with Prescriptive Authority).

(17) [(46)] **Program development and/or presentation**--Formulation of the purpose statement, objectives and associated content and/or presentation of an approved CNE activity.

(18) [(47)] **Program number**--A unique number assigned to a continuing education offering upon approval which shall identify it regardless of the number of times it is presented.

(19) [(48)] **Provider**--An individual, partnership, organization, agency or institution approved by an organization recognized by the Board which offers continuing education programs and activities.

(20) [(49)] **Provider number**--A unique number assigned to the provider of continuing education upon approval by the credentialing agency or organization.

(21) [(20)] **Shall, will, and must**--Mandatory requirements.

(22) [(21)] **Targeted continuing education**--Continuing education offerings beyond the basic scholastic preparation which are designed to promote and enrich knowledge, improve skills, and develop attitudes for the enhancement of nursing practice that are directed by statute and Board rules at specific levels of licensure and/or areas of practice.

§216.5. Additional Methods for Meeting Continuing Competency Requirements.

(a) **Academic Courses.** A licensee may receive CNE credit for attendance and completion of an academic course within the framework of a curriculum that leads to an academic degree in nursing or any academic course directly relevant to the licensee's area of nursing practice.

(1) The [Upon audit by the Board, the] licensee must upload to the continuing education tracking system sufficient documentation and/or information to verify [submit to the Board an official transcript indicating] completion of the course with a grade of "C" or better, or a "Pass" on a Pass/Fail grading system. For example, the licensee may provide a copy of their transcript.

(2) (No change.)

(b) **Program Development and/or Presentation.**

(1) (No change.)

(2) The [Upon audit by the Board, the] licensee must upload to the continuing education tracking system sufficient documentation and/or information to verify the licensee's program development and/or presentation. For example, the licensee may provide, [submit to the Board] on one page: the title of the program, program objectives, brief outline of content, name of credentialing agency that approved the program for contact hours, provider number, program number, dates and locations of the presentation, and number of contact hours.

(3) (No change.)

(c) **Authorship.**

(1) (No change.)

(2) The [Upon audit by the Board, the] licensee must upload to the continuing education tracking system sufficient documentation and/or information to verify publication. For example, a licensee may provide [submit to the Board] a letter from the publisher

indicating acceptance of the manuscript for publication or a copy of the published work.

(3) (No change.)

§216.7. *Responsibilities of Individual Licensee.*

(a) (No change.)

(b) The licensee shall be responsible to maintain a record of CNE activities for a minimum of three consecutive licensing periods or six years, unless otherwise specified in this chapter. These records shall document completion as described by §216.4 and §216.5 of this chapter (relating to Criteria for Acceptable Continuing Education Offerings and Additional Methods for Meeting Continuing Competency Requirements). [evidenced by original certificates of completion, contact hour certificates, or official academic transcripts. Copies of these shall be submitted to the Board upon audit.]

(c) The licensee shall be responsible to ensure that all documentation and information necessary to verify completion of continuing competency requirements are uploaded to the continuing education tracking system prior to renewal or reactivation.

[(e) The licensee shall be responsible to maintain these records for a minimum of three consecutive licensing periods or six years, unless otherwise specified in this chapter.]

§216.8. *Relicensure Process.*

(a) Renewal of license.

(1) Upon renewal of the license, the licensee shall sign a statement attesting that they have complied with the requirements of §216.7(c) of this chapter. [the CNE contact hours or approved national nursing certification requirement has been met.]

(2) (No change.)

(b) - (c) (No change.)

(d) Delinquent license.

(1) A license that has been delinquent for less than four years may be renewed by the licensee uploading to the continuing education tracking system sufficient documentation and/or information to verify that the licensee [submitting proof of having] completed 20 contact hours of acceptable CNE or a current approved national nursing certification in his or her prior area of practice within the two years immediately preceding application for relicensure and by meeting all other Board requirements. A licensee shall be exempt from the continuing competency requirements for the immediate licensing period following renewal of the delinquent license with the exception of applicable targeted continuing competency requirements in §216.3 of this chapter (relating to Continuing Competency Requirements).

(2) (No change.)

(e) Reactivation of a license.

(1) A license that has been inactive for less than four years may be reactivated by the licensee uploading to the continuing education tracking system sufficient documentation and/or information to verify that the licensee [submitting proof of having] completed 20 contact hours of acceptable CNE or a current approved national nursing certification in his or her prior area of practice within the two years immediately preceding application for reactivation and by meeting all other Board requirements. A licensee shall be exempt from the continuing competency requirements for the immediate licensing period following reactivation of the license with the exception of applicable targeted continuing competency requirements in §216.3 of this chapter (relating to Continuing Competency Requirements).

(2) (No change.)

(f) (No change.)

§216.9. *Audit Process.*

The Board shall select a random sample of licensees 90 days prior to each renewal month. Notification shall be sent to selected licensees to substantiate compliance with the continuing competency requirements.

(1) In performing the audit, the Board shall review all continuing competency documentation and information the licensee uploaded to the continuing education tracking system for the period of licensure being audited. The licensee shall provide any additional documentation and/or information not previously uploaded to the tracking system that the Board deems necessary to verify their compliance.

[(1) Selected licensees shall submit the following, as outlined in the notification:]

[(A) documentation as specified in §216.4 and §216.5 of this chapter (relating to Criteria for Acceptable Continuing Education Offerings and Additional Methods for Meeting Continuing Competency Requirements and any additional documentation the Board deems necessary to verify compliance with the continuing competency requirements for the period of licensure being audited; or]

[(B) a copy of the current approved national nursing certification and any additional documentation the Board deems necessary to verify compliance with the continuing competency requirements for the period of licensure being audited.]

(2) (No change.)

[(3) Pursuant to this section, an audit shall be automatic for a licensee who has been found noncompliant in an immediately preceding audit.]

[(4) Failure to complete the audit satisfactorily or falsification of records shall constitute unprofessional conduct and provide grounds for disciplinary action.]

§216.11. *Consequences of Noncompliance.*

(a) Failure to comply with the Board's continuing competency requirements will result in the denial of license renewal.

(b) Failure to demonstrate compliance with the Board's continuing competency requirements upon audit, falsely attesting to the completion of continuing competency requirements, or falsification of records shall constitute unprofessional conduct and provide grounds for disciplinary action.

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 March 9, 2026.

TRD-202601124

James W. Johnston

General Counsel

Texas Board of Nursing

Earliest possible date of adoption: April 19, 2026

For further information, please call: (512) 305-6879



TITLE 25. HEALTH SERVICES

PART 9. TEXAS DIABETES COUNCIL

CHAPTER 651. CONDUCT OF COUNCIL MEETINGS

25 TAC §§651.1 - 651.5

The Texas Diabetes Council (TDC) proposes amendments to §651.1, concerning Introduction; §651.2, concerning Applicability of Texas Open Meetings Law; §651.3, concerning Notice of Meetings; §651.4, concerning Transaction of Business; and §651.5 concerning Public Participation.

BACKGROUND AND PURPOSE

The purpose of the proposal is to make necessary amendments that were identified during the rule review required by Texas Government Code §2001.039. Proposed amendments include updating the reference of appropriate statute, clarifying the role Texas Department of State Health Services (DSHS) has in providing administrative support, specifying voting eligibility, and updating public participation best practices.

SECTION-BY-SECTION SUMMARY

The proposed amendment to §651.1 includes adding applicable statute that created the TDC and the requirement to elect a vice-chair.

The proposed amendment to §651.2 updates the reference to the Texas Open Meetings Act.

The proposed amendment to §651.3 updates the language to indicate that DSHS is responsible for publishing a notice of each meeting. In addition, the language is updated to indicate DSHS provides notice of the public meeting to council members.

The proposed amendment to §651.4 clarifies language regarding voting.

The proposed amendment to §651.5 reflects requirements for providing public comment.

FISCAL NOTE

Chris Carmona, TDC Chair, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

TDC has determined during the first five years the rules will be in effect:

- (1) the proposed rules will not create or eliminate a government program;
- (2) implementation of the proposed rules will not affect the number of DSHS employee positions;
- (3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;
- (4) the proposed rules will not affect fees paid to DSHS;
- (5) the proposed rules will not create a new regulation;
- (6) the proposed rules will not expand, limit, or repeal existing regulations;
- (7) the proposed rules will not change the number of individuals subject to the rules; and
- (8) the proposed rules will not affect the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Chris Carmona, TDC Chair, has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities. The rules do not apply to small or micro-businesses, or rural communities.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules do not impose a cost on regulated persons.

PUBLIC BENEFIT AND COSTS

Chris Carmona, TDC Chair, has determined that for each year of the first five years the rules are in effect, the public benefit will be a clarified understanding of how Texas Diabetes Council meetings are conducted.

Mr. Carmona has also determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because the proposed rule amendment clarifies the existing rules.

TAKINGS IMPACT ASSESSMENT

TDC has determined that the proposal does not restrict or limit an owner's right to the owner's property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Texas Government Code §2007.043.

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, as well as any applicable data, research, or analysis, may be submitted to diabetes@dshs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Texas Diabetes Council" in the subject line.

STATUTORY AUTHORITY

The amendments are authorized by Texas Health and Safety Code Chapter 103, which provides the Texas Diabetes Council will adopt rules for the conduct of its meetings.

The amendments affect Texas Health and Safety Code Chapter 103.

§651.1. *Introduction.*

(a) Applicable law. The Texas Diabetes Council is created by Texas Health and Safety Code Chapter 103. [These rules outline the procedures the council will follow in the conduct of its meetings.]

(b) Officers. Council members elect a vice-chair at the meeting held closest to August 31 of each biennium.

§651.2. *Applicability of Texas Open Meetings Act [Law].*

The Texas Diabetes Council [council in all its meetings] is subject to the requirements of the Texas Open Meetings Act, Texas Government Code Chapter 551 for all meetings [Texas Civil Statute 6252-17].

§651.3. *Notice of Meetings.*

(a) The Department of State Health Services (DSHS) must publish a notice of each meeting as required by the Texas Open Meetings Act [Written notice giving the date, time, place, and subject of each meeting shall be prepared as required by the Texas Open Meetings Law].

(b) DSHS must provide the notice to each council member at least seven days before the public meeting. [A copy of the notice shall be sent to each council member at least seven days prior to the meeting except in emergency cases as determined by the chairperson.]

[(c) The meetings will be held at least quarterly and generally will be located in Austin, Texas.]

§651.4. Transaction of Business.

(a) The Texas Diabetes Council (council) is authorized to transact official business only when in a legally convened meeting with a quorum present.

[(a) All meetings will be conducted according to Robert Rules of Order, except as provided otherwise in these rules.]

(b) A simple majority of the appointed members of the council constitutes a quorum for the purpose of transacting official business.

[(b) All council actions taken must be approved by a majority vote of the members present. The chairperson may vote on any item of business as any other council member; however, in the case of a tie vote, the chairperson's vote shall be the tie breaker.]

(c) Any action taken by the council must be approved by a majority vote of the voting members present once quorum is established. Each voting member will have one vote.

(d) A member may not authorize another individual to represent the member by proxy.

§651.5. Public Participation.

Members of the public may submit a request to provide public comment at council meetings at least 48 hours before the beginning of a meeting to the chair. Information on how to submit a request is on the publicly posted agenda. Health or confidential information must not be in the comments. If the chair allows public comment, the chair decides the manner and time limits of public comment. [Requests from members of the public to participate in council meetings shall be submitted to the chairperson prior to the beginning of the meeting. The chairperson has the discretion to allow or disallow participation. If the chairperson allows participation, he/she determines the manner and time limits of the participation.]

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 March 4, 2026.

TRD-202601098

Chris Carmona

Council Chair, Texas Diabetes Council

Texas Diabetes Council

Earliest possible date of adoption: April 19, 2026

For further information, please call: (512) 695-3846



TITLE 26. HEALTH AND HUMAN SERVICES

PART 1. HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 307. BEHAVIORAL HEALTH PROGRAM

SUBCHAPTER H. COORDINATED SPECIALTY CARE FOR FIRST EPISODE PSYCHOSIS PROGRAM

26 TAC §§307.401, 307.403, 307.405, 307.407, 307.409, 307.411, 307.413, 307.415, 307.417, 307.419

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes in Texas Administrative Code Title 26, Part 1, Chapter 307, new Subchapter H, comprising of §307.401, concerning Purpose; §307.403, concerning Application; §307.405, concerning Definitions; §307.407, concerning Eligibility Requirements; §307.409, concerning Program Requirements; §307.411, concerning Staffing Requirements; §307.413, concerning Training Requirements; §307.415, concerning Outreach Plan; §307.417, concerning Service Provision; and §307.419, concerning Waiver Request.

BACKGROUND AND PURPOSE

The purpose of the proposal is to establish rules for the Coordinated Specialty Care for First Episode Psychosis (CSC-FEP) program. The CSC-FEP program offers outpatient mental health treatment to individuals that are at least 15 years old and up to 30 years old with a psychotic disorder.

These rules will apply to local mental health authorities (LMHAs), local behavioral health authorities (LBHAs), and community centers providing CSC-FEP program services.

SECTION-BY-SECTION SUMMARY

Proposed new §307.401 describes the purpose of the rules, which is to explain what HHSC requires to implement the CSC-FEP program.

Proposed new §307.403 provides that the rules apply to providers delivering CSC-FEP program services.

Proposed new §307.405 contains key terms and the definitions used in the proposed new rules.

Proposed new §307.407 describes eligibility requirements to enroll in the CSC-FEP program.

Proposed new §307.409 describes CSC-FEP program requirements that the providers must implement. Program requirements include the required services, implementation of services, and treatment team requirements.

Proposed new §307.411 describes standards for sufficient staffing levels and certification requirements for staff.

Proposed new §307.413 describes treatment team training requirements for staff to provide CSC-FEP program services.

Proposed new §307.415 describes the outreach and recruitment plan that a CSC-FEP program provider is required to maintain.

Proposed new §307.417 describes requirements for the CSC-FEP program provider's provision of services. Provisions include program admission requirements, service and transition planning, and ongoing safety assessment.

Proposed new §307.419 describes the requirement for a CSC-FEP program provider to submit a written waiver request for exceptions to program requirements.

FISCAL NOTE

Trey Wood, HHSC Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

HHSC has determined that during the first five years that the rules will be in effect:

- (1) the proposed rules will not create or eliminate a government program;
- (2) implementation of the proposed rules will not affect the number of HHSC employee positions;
- (3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;
- (4) the proposed rules will not affect fees paid to HHSC;
- (5) the proposed rules will create new regulations;
- (6) the proposed rules will not expand, limit, or repeal existing regulations;
- (7) the proposed rules will not change the number of individuals subject to the rules; and
- (8) the proposed rules will not affect the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Trey Wood has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities because there is no requirement to alter current business practices.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules are necessary to protect the health, safety, and welfare of the residents of Texas and do not impose a cost on regulated persons.

PUBLIC BENEFIT AND COSTS

Trina Ita, Deputy Executive Commissioner of Behavioral Health Services, has determined that for each year of the first five years the rules are in effect, the public benefit will be the clear codification of an existing process for the implementation and provision of CSC-FEP program services in Texas. This clarity will enhance the care provided to individuals receiving CSC-FEP services.

Trey Wood has also determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because there is no requirement to alter current business practices and there are no new fees or costs imposed on those required to comply with the proposed rules.

TAKINGS IMPACT ASSESSMENT

HHSC has determined that the proposal does not restrict or limit an owner's right to the owner's property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Texas Government Code §2007.043.

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rule, as well as any applicable data, research, or analysis, may be submitted to Rules Coordination Office, P.O. Box 13247, Mail Code 4102, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or emailed to HHSCRulesCoordinationOffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 24R093" in the subject line.

STATUTORY AUTHORITY

The new sections are authorized by 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 Texas Health and Safety Code §534.052, which requires the executive commissioner to adopt rules necessary and appropriate to ensure the adequate provision of community-based mental health services through a local mental health authority.

The new sections affect Texas Government Code §524.0151 and Texas Health and Safety Code §534.052.

§307.401. Purpose.

This subchapter explains what the Texas Health and Human Services Commission (HHSC) requires to be a Coordinated Specialty Care for First Episode Psychosis (CSC-FEP) provider. It sets requirements for provider staff. It also explains policies and procedures for the CSC-FEP program.

§307.403. Application.

The subchapter applies to an HHSC contracted provider of the CSC-FEP program services.

§307.405. Definitions.

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

(1) Certified peer specialist--A person who uses lived experience and formal training to help others recover using standards defined in 1 TAC Chapter 354, Subchapter N (relating to Peer Specialist Services).

(2) CFP--Certified family partner. A person who cares for an enrolled individual using standards defined in 1 TAC §353.1415 (relating to Staff Member Credentialing).

(3) Community center--An entity established as a community mental health center under Texas Health and Safety Code §534.001.

(4) CSC-FEP program--Coordinated Specialty Care for First Episode Psychosis program. A program that provides comprehensive, evidence-based treatment and support for individuals experiencing first episode of psychosis.

(5) DSM--The American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders.

(6) FTE--Full-time equivalent. In this subchapter, an FTE is not a headcount but a way of measuring the workload of any combination of staff members whose work hours total 40 hours a week.

(7) HHSC--The Texas Health and Human Services Commission or its designee.

(8) Individual--A person receiving services under this subchapter.

(9) LAR--Legally authorized representative. A person authorized by law to act on an individual's behalf about a matter described in this subchapter, including a parent, guardian, the managing conservator of a minor, or the guardian of an adult.

(10) LBHA--Local behavioral health authority. An entity designated as the local behavioral health authority by HHSC under Texas Health and Safety Code §533.0356.

(11) Licensed therapist--A staff member who is licensed as:

(A) a psychologist by the Texas State Board of Examiners of Psychologists under Texas Occupations Code Chapter 501;

(B) a psychological associate by the Texas State Board of Examiners of Psychologists under Texas Occupations Code Chapter 501;

(C) a professional counselor by the Texas State Board of Examiners of Professional Counselors under Texas Occupations Code Chapter 503;

(D) a clinical social worker or master social worker by the Texas State Board of Social Worker Examiners under Texas Occupations Code Chapter 505; or

(E) a marriage and family therapist by the Texas State Board of Examiners of Marriage and Family Therapists under Texas Occupations Code Chapter 502.

(12) LMHA--Local mental health authority. An entity designated as the local mental health authority by HHSC under Texas Health and Safety Code §533.035(a).

(13) Physician--A staff member who is licensed to practice medicine under Texas Occupations Code Chapter 155.

(14) Provider--A person or entity that contracts with HHSC, an LMHA, an LBHA, or a community center to provide CSC-FEP program services.

(15) Recovery plan--A written plan a CSC-FEP provider must use, according to §301.353 of this title (relating to Provider Responsibilities for Treatment Planning and Service Authorization).

(16) SEES--Supported employment and education specialist. A staff member who helps an individual receiving services look for jobs and education opportunities.

(17) Staff member--A person who works full-time or part-time. This includes a contractor or intern, but not a volunteer.

(18) TAC--Texas Administrative Code.

(19) Treatment team--Staff members who provide CSC-FEP program services.

(20) Uniform assessment--An age-appropriate tool described in §301.353 of this title and used for recommending an individual's level of care.

§307.407. Eligibility Requirements.

An individual eligible for the CSC-FEP program must:

(1) be at least 15 years old and up to 30 years old, regardless of when the individual first experienced psychosis; and

(2) meet the criteria for a psychotic disorder from the version of the DSM recognized by HHSC.

§307.409. Program Requirements.

(a) The provider must implement a CSC-FEP program that includes the following services:

(1) psychotherapy;

(2) family education and support;

(3) peer support for recovery from mental illness;

(4) medication prescribed to treat mental illness; and

(5) support for education and job-related goals.

(b) The provider must:

(1) ensure the service period of up to 36 months starts on the date the provider enrolls the individual in the CSC-FEP program;

(2) establish and maintain an individual's medical record according to:

(A) state and federal laws and regulations; and

(B) the provider's admission standards and procedures;

(3) complete the uniform assessment at the individual's intake within 10 calendar days of the referral date; and

(4) conduct, review, and revise the uniform assessment according to §301.353 of this title (relating to Provider Responsibilities for Treatment Planning and Service Authorization).

(c) The provider must ensure each treatment team:

(1) maintains a census of at least 20 individuals;

(2) makes and documents five attempts to meet in person each month for the first 12 months the individual is enrolled in the CSC-FEP program. The team must document the reason why any in-person meetings did not happen; and

(3) meets at least one time a week and includes the following staff members:

(A) a team lead;

(B) a case manager or skills trainer;

(C) a certified peer specialist;

(D) a CFP; and

(E) a SEES.

§307.411. Staffing Requirements.

(a) A treatment team must include the following roles:

(1) a team lead;

(2) a SEES;

(3) a licensed therapist, if the team lead does not provide counseling;

(4) a case manager or skills trainer;

(5) a certified peer specialist who may meet with all individuals in the CSC-FEP program;

(6) a CFP, who may meet with all families of the individuals in the CSC-FEP program; and

(7) a physician.

(b) A provider may include additional staff members to address an individual's program needs.

(c) A treatment team member may not hold both the CFP and certified peer specialist roles at the same time.

(d) The provider must employ at least three FTE staff members per treatment team. The three FTE staff members do not include the physician.

§307.413. Training Requirements.

(a) A provider must use a training organization listed on the HHSC website to provide an initial onboarding training to all treatment team members.

(b) The provider must ensure that a licensed therapist providing counseling services in the CSC-FEP program completes required training.

(c) The provider must maintain written training records for the treatment team members.

(d) The treatment team members must maintain the applicable licenses required by law to provide CSC-FEP program services.

(e) The provider must ensure all treatment team members only provide services within the scope of the member's license or credentialing.

§307.415. Outreach Plan.

A provider must maintain an outreach plan. The plan must have written policies and procedures to maintain a census as described in §307.409(c)(1) of this subchapter (relating to Program Requirements).

§307.417. Service Provision.

(a) A provider must develop a recovery plan when an individual is admitted to the program. This process is found in §301.353 of this title (relating to Provider Responsibilities for Treatment Planning and Service Authorization).

(b) The provider must:

(1) educate an individual enrolled in the CSC-FEP program on medication options and best practices for medication treatment as clinically appropriate; and

(2) document the following for an individual:

(A) the individual's name;

(B) CSC-FEP program admission date; and

(C) information about the individual's primary medical care, if any, including the individual's:

(i) medical history;

(ii) primary care referral date;

(iii) date of first appointment with the primary care provider; and

(iv) subsequent medical care appointments.

(c) The provider must ensure an individual in the CSC-FEP program can get the services listed in §307.409(a) of this subchapter (relating to Program Requirements) that match the individual's treatment goals.

(d) The provider must document efforts to support the individual's needs by:

(1) directing the individual to resources in the community;

(2) helping the individual access available community resources;

(3) helping the individual with housing and job needs; and

(4) documenting in the recovery plan if community support resources are not available.

(e) To identify a crisis or safety planning needs, the provider must:

(1) give the provider's support service crisis hotline information to the individual and the individual's LAR, if applicable, to use if a crisis happens;

(2) deliver crisis services to the individual according to §301.327 of this title (relating to Access to Mental Health Community Services);

(3) assess the individual during intake for safety risk;

(4) proactively monitor safety risk throughout treatment and identify safety concerns;

(5) develop and implement a safety plan within 24 hours for the individual whom the treatment team identifies as a safety risk; and

(6) maintain the individual's safety plan.

(f) The provider must ensure the service period in the CSC-FEP program for the individual does not go over 36 months except as described in §307.419 of this subchapter (relating to Waiver Request).

(g) The provider must transition the individual from the CSC-FEP program to the most appropriate level of care, according to standards set in §301.353 of this title, when the individual:

(1) is no longer eligible for the program; or

(2) chooses to leave the CSC-FEP program.

§307.419. Waiver Request.

A provider must submit a written waiver request for HHSC to process the following exceptions to the CSC-FEP program requirements:

(1) hiring a licensed therapist intern when the provider is unable to recruit a licensed therapist;

(2) admission of an individual who is outside the age eligibility; and

(3) extending the service period past three years.

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 March 4, 2026.

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Karen Ray
Chief Counsel

Health and Human Services Commission

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For further information, please call: (737) 704-9063



CHAPTER 748. MINIMUM STANDARDS FOR GENERAL RESIDENTIAL OPERATIONS

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes amendments to §748.751, concerning What are the requirements for obtaining and verifying an applicant's employment history; §748.753, con-

cerning What are the requirements for completing an applicant's reference checks; §748.881, concerning What curriculum components must be included in the general pre-service training; §748.887, concerning If I do not allow the use of emergency behavior intervention, what curriculum components must be included in the pre-service training for emergency behavior intervention; §748.3319, concerning What "No Trespassing" signs must I post if my operation is a residential treatment center; and the repeal of §748.3321, concerning What additional responsibilities do I have regarding the "No Trespassing" signs if my operation is a residential treatment center.

BACKGROUND AND PURPOSE

The proposal is necessary to implement House Bill (HB) 3153 and Section 6 of HB 2789, 89th Legislature, Regular Session, 2025. The proposal is also necessary to partially implement HB 16, 89th Legislature, 2nd Special Session, 2025.

HB 3153 added Texas Health and Safety Code, Chapter 811, to require general residential operations (GROs) to comply with certain employment requirements to prevent physical or sexual abuse of children.

Section 6 of HB 2789 amended Texas Human Resources Code (HRC) §42.068 to remove location and content requirements for "No Trespassing" notices required at GROs that are operating as residential treatment centers. Other rule projects are underway to implement the other sections of HB 2789.

HB 16 amended HRC §42.0426 to require a residential child-care facility to include crisis response training for emergency behavior intervention with a goal of limiting law enforcement involvement. A separate rule project will implement the bill for child-placing agencies.

The proposal updates existing requirements for obtaining and verifying an applicant's employment history; adds training for new employees regarding professional and appropriate relationships with children; includes crisis response training for emergency behavior intervention with a goal of limiting law enforcement; and removes location-specific and content requirements for "No Trespassing" notices.

SECTION-BY-SECTION SUMMARY

The proposed amendment to §748.751 (1) amends the rule title; (2) maintains the requirement to verify an applicant's employment history, but deletes the requirement to only verify the previous five years of employment history; (3) deletes a subsection that grandfathered applicants who sought employment before August 9, 2023; and (4) makes non-substantive changes for better readability and understanding.

The proposed amendment to §748.753 (1) amends the rule title; (2) removes "within the past five years" and allows a reference check relating to a former job that involved providing care or services to children regardless of how long ago the job applicant provided the care or services; (3) deletes a subsection that grandfathered applicants who sought employment before August 9, 2023; and (4) makes non-substantive changes for better readability and understanding.

The proposed amendment to §748.881 (1) amends the rule title; (2) adds maintaining professional and appropriate conduct with children as a curriculum component for general pre-service training; and (3) makes non-substantive changes for better readability and understanding, including the renumbering of paragraphs.

The proposed amendment to §748.887 (1) amends the rule title; (2) updates a curriculum component for emergency behavior intervention training to address circumstances when all de-escalation strategies fail, including crisis response training that limits law enforcement involvement; and (3) makes non-substantive changes for better readability and understanding.

The proposed amendment to §748.3319 (1) amends the rule title; (2) removes previous location requirements for "No Trespassing" notices and replaces those requirements with a requirement that the notices be displayed in obvious locations that are clearly visible; (3) removes content requirements for the notices except for a statement that entry to the property is forbidden; (4) adds a new subsection to facilitate the proposed repeal of §748.3321; and (5) makes non-substantive changes for better readability and understanding.

The proposed repeal of §748.3321 deletes the rule as no longer necessary because (1) the "No Trespassing" notices are no longer required to identify under whose authority the notice is currently posted; and (2) the option to request new notices from Child Care Regulation has been added to proposed amended §748.3319.

FISCAL NOTE

Trey Wood, HHSC Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, there will be an estimated additional cost to state government as a result of enforcing and administering the rules as proposed. Enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of local government.

The effect on state government for each year of the first five years the proposed rules are in effect is an estimated cost of \$5,170.30 in fiscal year (FY) 2027, \$347 in FY 2028, \$347 in FY 2029, \$347 in FY 2030, and \$347 in FY 2031.

GOVERNMENT GROWTH IMPACT STATEMENT

HHSC has determined that during the first five years that the rules will be in effect:

- (1) the proposed rules will not create or eliminate a government program;
- (2) implementation of the proposed rules will not affect the number of HHSC employee positions;
- (3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;
- (4) the proposed rules will not affect fees paid to HHSC;
- (5) the proposed rules will create a new regulation;
- (6) the proposed rules will repeal existing regulations;
- (7) the proposed rules will not change the number of individuals subject to the rules; and
- (8) the proposed rules will not affect the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Trey Wood has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities. The rules do not impose any additional costs on small businesses, micro-businesses, or rural communities required to comply with the rules.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules: (1) are necessary to protect the health, safety, and welfare of the residents of Texas; (2) do not impose a cost on regulated persons; and (3) are necessary to implement legislation that does not specifically state that §2001.0045 applies to the rules.

PUBLIC BENEFIT AND COSTS

Rachel Ashworth-Mazerolle, Associate Commissioner for Child Care Regulation, has determined that for each year of the first five years the rules are in effect the public benefit will be increased protections for children residing in GROs.

Trey Wood has also determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because the rules do not require a GRO to (1) purchase new notices or (2) significantly update training in a manner that would result in a cost or require any additional resources to comply.

TAKINGS IMPACT ASSESSMENT

HHSC has determined that the proposal does not restrict or limit an owner's right to the owner's property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Texas Government Code §2007.043.

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rule, as well as any applicable data, research, or analysis, may be submitted to Rules Coordination Office, P.O. Box 13247, Mail Code 4102, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or emailed to HHSRulesCoordinationOffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 26R003" in the subject line.

SUBCHAPTER E. PERSONNEL DIVISION 8. PRE-EMPLOYMENT SCREENING

26 TAC §748.751, §748.753

STATUTORY AUTHORITY

The amendments are authorized by 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 agencies, and Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rule-making authority. In addition, the proposed amendments to §§748.751, 748.753, 748.881, and 748.887 are authorized by Texas Hu-

man Resources Code §42.042, which requires the executive commissioner to adopt rules and minimum standards related to required qualifications and training of employees at regulated facilities; the proposed amendments to §748.3319 and repeal of §748.3321 are authorized by Texas Human Resources Code §42.068(b), which requires the executive commissioner to adopt rules relating to the placement and design of "No Trespassing" notices.

The proposal affects Texas Human Resources Code §§42.042, 42.0426, and 42.068 and Texas Health and Safety Code, Chapter 811.

§748.751. *Employment Verification.* [What are the requirements for obtaining and verifying an applicant's employment history?]

(a) Before hiring an applicant for a position, the operation [you] must conduct employment verification, to the extent possible, by contacting the previous employers listed in submitted application materials for each applicant.[:]

[(1) Obtain in writing the applicant's employment history for the last five years, which may include:]

[(A) Any history for an applicant who has not continuously been employed during the last five years; or]

[(B) A statement that the applicant has no employment history during the last five years; and]

[(2) When the applicant's employment history indicates the applicant has been employed within the last five years, verify whether the applicant was employed as described in the applicant's employment history by contacting:]

[(A) Each employer included in the five-year employment history; or]

[(B) The applicant's three most recent employers, at a minimum, if the five-year employment history includes more than three employers; and]

(b) If an applicant is hired [you hire the applicant], the operation must document [you must maintain documentation of] the following in the applicant's personnel file:

(1) the [The] applicant's employment history required by subsection (a) [(a)(1)] of this section; and

(2) two or more attempts to contact a previous employer for employment verification. If a previous employer is determined to be permanently unreachable, the operation must document the reason for that determination. [If the applicant has been employed in the last five years, the results of any contact with an applicant's previous employers related to employment verification. If you are unable to contact an employer or obtain the information described in subsection (a)(2) of this section from an employer:]

[(A) Any refusal by the employer to provide the information; or]

[(B) Your diligent efforts to contact the employer, which must include more than one attempt to contact an employer who is not permanently unreachable. If the employer is permanently unreachable, your documentation must include the reason why you made that determination. Examples of an employer being unreachable include:]

[(i) The employer is out of business and there is no alternative contact information to obtain information from the employer; or]

[(ii) The employer is deceased.]

~~[(e) This rule applies only to applicants who seek employment with your operation on or after August 9, 2023.]~~

~~§748.753. Reference Checks. [What are the requirements for completing an applicant's reference checks?]~~

~~(a) Before hiring an applicant for a position, the operation [you] must complete the applicant's reference checks by[.]~~

~~[(1)] contacting [Obtaining from the applicant the name and contact information of] at least two individuals unrelated to the applicant that can provide information about [who can serve as references by answering questions related to] the applicant's suitability to work with or around children.[; and]~~

~~[(2) Contacting each of the two required references to verify that the applicant is suitable to work with or around children. You may contact the reference through an interview or in writing.]~~

~~(b) If the [For an] applicant has work history [who is currently or was previously employed in a position responsible] for providing care or services to children [within the past five years], at least one [of the] reference check [checks] required by [in] subsection (a) of this section must be completed with a current or former [prior] employer who [has] supervised or has knowledge of [is otherwise familiar with] the applicant's history and job performance in that role [of the applicant in that capacity].~~

~~(c) If the operation does not complete a [For any] reference check [you are unsuccessful in completing] as required by subsection (a) or (b) of this section, the operation [you] must document:~~

~~(1) the reason the reference check was not completed [Any refusal by the reference to provide the information]; or~~

~~(2) two or more attempts to contact the reference [Your diligent efforts to contact the reference, which must include more than one attempt to contact a reference who is not permanently unreachable]. If the reference is determined to be permanently unreachable, the operation must document [your documentation must include] the reason for [why you made] that determination; and[. Examples of a reference being unreachable include:]~~

~~[(A) The reference is out of business and there is no alternative contact information to obtain information from the employer; or]~~

~~[(B) The reference is deceased; and]~~

~~(3) the operation's [Your] assessment of the applicant's suitability to work with or around children.~~

~~(d) For each person hired by the operation [you hire], the operation [you] must maintain the following information in the employee's personnel file:~~

~~(1) documentation [Documentation] of each reference check that includes:~~

~~(A) the [The] reference's name;~~

~~(B) the [The] relation of the reference to the applicant;~~

~~(C) the [The] reference's contact information;~~

~~(D) the [The] date of [you completed] the reference check;~~

~~(E) information [Information you] obtained from the reference check, documented as:~~

~~(i) a [A] summary of the reference [interview]; or~~

~~(ii) a [A] copy of the written information provided by the reference; and~~

~~(F) the name of the person at the hiring operation that completed the reference check [If you conducted the check through an interview, the name of the person who interviewed the reference]; and~~

~~(2) if the operation does not successfully complete [If you were unsuccessful in completing] a reference check, the documentation required by subsection (c) of this section.~~

~~[(e) This rule applies only to applicants who seek employment with your operation on or after August 9, 2023.]~~

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 March 9, 2026.

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Karen Ray

Chief Counsel

Health and Human Services Commission

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For further information, please call: (512) 438-3269



SUBCHAPTER F. TRAINING AND PROFESSIONAL DEVELOPMENT DIVISION 5. CURRICULUM COMPONENTS FOR PRE-SERVICE TRAINING

26 TAC §748.881, §748.887

STATUTORY AUTHORITY

The amendments are authorized by 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 agencies, and Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rule-making authority. In addition, the proposed amendments to §§748.751, 748.753, 748.881, and 748.887 are authorized by Texas Human Resources Code §42.042, which requires the executive commissioner to adopt rules and minimum standards related to required qualifications and training of employees at regulated facilities; the proposed amendments to §748.3319 and repeal of §748.3321 are authorized by Texas Human Resources Code §42.068(b), which requires the executive commissioner to adopt rules relating to the placement and design of "No Trespassing" notices.

The proposal affects Texas Human Resources Code §§42.042, 42.0426, and 42.068 and Texas Health and Safety Code, Chapter 811.

§748.881. General Pre-Service Training Curriculum Components. [What curriculum components must be included in the general pre-service training?]

The general pre-service training must include the following curriculum components:

(1) topics [Topics] appropriate to the needs of children for whom the caregiver will be providing care, such as developmental stages of children, fostering children's self-esteem, constructive guidance and discipline of children, water safety, strategies and techniques for monitoring and working with [these] children, and age-appropriate activities for [the] children;

(2) measures [Measures] to prevent, recognize, and report suspected occurrences of child abuse (including sexual abuse), neglect, and exploitation;

(3) methods for maintaining professional and appropriate relationships with children;

(4) [(3)] procedures [Proceedures] to follow in emergencies, such as weather-related emergencies, volatile persons, and severe injury or illness of a child or adult;

(5) [(4)] preventing [Preventing] the spread of communicable diseases;

(6) [(5)] the [The] location and use of fire extinguishers and first-aid equipment;

(7) [(6)] trauma [Trauma] informed care; and

(8) [(7)] normalcy [Normalcy].

§748.887. *Pre-Service Training Curriculum Components for General Residential Operations that Do Not Allow Emergency Behavior Intervention.* [If I do not allow the use of emergency behavior intervention, what curriculum components must be included in the pre-service training for emergency behavior intervention?]

If an operation does not permit [you do not allow the use of] emergency behavior intervention, the pre-service training curriculum for emergency behavior intervention must address [focus on] early identification of potential harmful [problem] behaviors and [strategies and techniques for] less restrictive intervention [interventions] strategies and techniques. The[, including the following] curriculum must include [components]:

(1) developing [Developing] and maintaining an environment that supports positive and constructive behaviors;

(2) [The] causes of behaviors that may harm [potentially harmful to] a child, including aspects of the environment;

(3) early [Early] signs of behaviors that may become dangerous to a child or others;

(4) strategies [Strategies] and techniques a child can use to avoid harmful behaviors;

(5) teaching [Teaching] a child to use the strategies and techniques of the [your] operation's de-escalation protocols to avoid harmful behavior, and supporting the child's efforts to move [progress] into a state of self-control;

(6) less [Less] restrictive strategies caregivers can use to:

(A) intervene in potentially harmful behaviors; and

(B) engage a child to de-escalate a situation;

[(7) Less restrictive strategies caregivers can use to engage a child and de-escalate a situation;]

(7) [(8)] crisis response strategies with a goal of limiting involvement with law enforcement [Addressing circumstances when all de-escalation strategies fail]; and

(8) [(9)] [The] risks associated with the use of prone or supine restraints, including positional, compression, or restraint asphyxia.

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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Karen Ray

Chief Counsel

Health and Human Services Commission

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For further information, please call: (512) 438-3269

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SUBCHAPTER P. PHYSICAL SITE
DIVISION 1. GROUNDS AND GENERAL
REQUIREMENTS

26 TAC §748.3319

STATUTORY AUTHORITY

The amendment is authorized by 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 agencies, and Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rule-making authority. In addition, the proposed amendments to §§748.751, 748.753, 748.881, and 748.887 are authorized by Texas Human Resources Code §42.042, which requires the executive commissioner to adopt rules and minimum standards related to required qualifications and training of employees at regulated facilities; the proposed amendments to §748.3319 and repeal of §748.3321 are authorized by Texas Human Resources Code §42.068(b), which requires the executive commissioner to adopt rules relating to the placement and design of "No Trespassing" notices.

The proposal affects Texas Human Resources Code §§42.042, 42.0426, and 42.068 and Texas Health and Safety Code, Chapter 811.

§748.3319. [What]"No Trespassing" Notices for General Residential Operations Operating as Residential Treatment Centers. [signs must I post if my operation is a residential treatment center?]

[(a) If your operation is a residential treatment center, you must post the "No Trespassing" signs required by subsections (b) and (c) of this section.]

(a) [(b)] General residential operations operating as residential treatment centers must post [You may create your own] "No Trespassing" notices on the grounds of the general residential operation. [signs or use the ones we provide you; but the signs must:]

(b) A general residential operation acting as a residential treatment center may request "No Trespassing" notices from Child Care Regulation, as needed, to meet the requirements in this section or create the operation's own notices. The "No Trespassing" notices must:

(1) state [State] that entry to the property is forbidden; and

[(2) Include a description of the provisions of §30.05, Penal Code, including the penalties for violating §30.05, Penal Code;]

[(3) Include the name and address of the person under whose authority the notice is posted, unless your operation provides trafficking victim services under Subchapter V of this chapter (relating to Additional Requirements for Operations that Provide Trafficking Victim Services);]

[(4) Be written in English and Spanish; and]

(2) [(5)] be [Be] at least 8-1/2 by 11 inches in size.

(c) [You must post the] "No Trespassing" notices must be displayed [signs] in locations that ensure the notices are clearly visible. [the following places:

[(1) Parallel to and along the exterior boundaries of the grounds;]

[(2) For grounds not fenced, at least every 500 feet along the exterior boundaries of the grounds;]

[(3) At each roadway or other way of access to the grounds;]

[(4) At each entrance to the grounds; and]

[(5) In conspicuous places reasonably likely to be viewed by intruders.]

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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Karen Ray

Chief Counsel

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26 TAC §748.3321

STATUTORY AUTHORITY

The repeal is authorized by 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 agencies, and Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rule-making authority. In addition, the proposed amendments to §§748.751, 748.753, 748.881, and 748.887 are authorized by Texas Human Resources Code §42.042, which requires the executive commissioner to adopt rules and minimum standards related to required qualifications and training of employees at regulated facilities; the proposed amendments to §748.3319 and repeal of §748.3321 are authorized by Texas Human Resources Code §42.068(b), which requires the executive commissioner to adopt rules relating to the placement and design of "No Trespassing" notices.

The proposal affects Texas Human Resources Code §§42.042, 42.0426, and 42.068 and Texas Health and Safety Code, Chapter 811.

§748.3321. *What additional responsibilities do I have regarding the "No Trespassing" signs if my operation is a residential treatment center?*

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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Karen Ray
Chief Counsel
Health and Human Services Commission
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For further information, please call: (512) 438-3269



TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 20. TEXAS WORKFORCE COMMISSION

CHAPTER 812. RURAL WORKFORCE DEVELOPMENT GRANT PROGRAM

The Texas Workforce Commission (TWC) proposes new Chapter 812, relating to the Rural Workforce Development Grant Program, comprising the following subchapters:

Subchapter A. General Provisions, §§812.1 - 812.3

Subchapter B. Program Administration, §§812.11 - 812.15

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the proposed new Chapter 812 is to establish the Rural Workforce Development Grant Program and set forth TWC's procedures for administering the new grant program.

Senate Bill 2448 (SB 2448), 89th Texas Legislature, Regular Session, 2025, amended Texas Labor Code, Chapter 302, by adding Subchapter J relating to the creation of the Rural Workforce Development Grant Program.

The Rural Workforce Development Grant Program allows TWC to award grants to one or more nonprofit organizations to provide technical assistance and support to institutions of higher education and school districts located in rural areas of the state in aligning and delivering workforce training and higher education programs to address skills gaps to meet urgent workforce demands of rural areas.

SB 2448 requires TWC, in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board, to establish and administer the program. SB 2448 also requires TWC to adopt rules necessary to administer the program and to periodically verify that grant money awarded to a nonprofit organization under the program is being used appropriately. In addition to any money appropriated for the program, TWC may solicit and accept gifts, grants, and donations from any public or private source for the program.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

SUBCHAPTER A. GENERAL PROVISIONS

TWC proposes new Subchapter A, General Provisions, as follows:

§812.1. Purpose and Goal

New §812.1(a) sets forth the purpose of the Rural Workforce Development Grant Program.

New §812.1(b) sets forth the goals of the Rural Workforce Development Grant Program.

§812.2. Definitions

New §812.2 defines terms used in this chapter.

§812.3. Program Funding

New §812.3 allows TWC to solicit and accept funding for the Rural Workforce Development Grant Program in addition to any money appropriated.

SUBCHAPTER B. PROGRAM ADMINISTRATION

TWC proposes new Subchapter B, Program Administration as follows:

§812.11. Grant Eligibility

New §812.11 establishes the eligibility requirements for potential grant applicants.

§812.12. Grant Application

New §812.12 establishes the application requirements for eligible applicants.

§812.13. Grant Requirements

New §812.13 establishes the grant requirements for the Rural Workforce Development Grant Program.

§812.14. Review and Reporting Requirements

New §812.14 sets forth the requirements for rules and grant recipient award review.

§812.15. Annual Report

New §812.15 sets forth TWC's reporting requirements.

PART III. IMPACT STATEMENTS

Chris Nelson, Chief Financial Officer, has determined that for each year of the first five years the rules will be in effect, the following statements will apply:

There are no additional estimated costs to the state and to local governments expected as a result of enforcing or administering the rules.

There are no estimated cost reductions to the state and to local governments as a result of enforcing or administering the rules.

There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There are no foreseeable implications relating to costs or revenue of the state or local governments as a result of enforcing or administering the rules.

There are no anticipated economic costs to individuals required to comply with the rules.

There is no anticipated adverse economic impact on small businesses, microbusinesses, or rural communities as a result of enforcing or administering the rules.

Based on the analyses required by Texas Government Code, §2001.024, TWC has determined that the requirement to repeal or amend a rule, as required by Texas Government Code, §2001.0045, does not apply to this rulemaking.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), "taking" means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amend-

ments to the US Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action, and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect. TWC completed a Takings Impact Assessment for the proposed rulemaking action under Texas Government Code, §2007.043. The primary purpose of this proposed rulemaking action, as discussed elsewhere in this preamble, is to provide the establishment and operational procedures of the Rural Workforce Development Grant Program, administered by TWC.

The proposed rulemaking action will not create any additional burden on private real property or affect private real property in a manner that would require compensation to private real property owners under the US Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

Government Growth Impact Statement

TWC has determined that during the first five years the rules will be in effect, it:

--will create a government program pursuant to Texas Labor Code, Chapter 302, Subchapter J, as added by SB 2448, to create the Rural Workforce Development Grant Program;

--will not require the creation or elimination of employee positions;

--will not require an increase or decrease in future legislative appropriations to TWC;

--will not require an increase or decrease in fees paid to TWC;

--will not create a new regulation;

--will not expand, limit, or eliminate an existing regulation;

--will not change the number of individuals subject to the rules; and

--will not positively or adversely affect the state's economy.

Economic Impact Statement and Regulatory Flexibility Analysis

TWC has determined that the rules will not have an adverse economic impact on small businesses or rural communities, as the proposed rules place no requirements on small businesses or rural communities.

Mariana Vega, Director, Labor Market Information, has determined that there is not a significant negative impact upon employment conditions in the state as a result of the rules.

Mary York, Director, Workforce Development Division, has determined that for each year of the first five years the rules are in effect, the public benefit anticipated as a result of the rules will be to assist rural school districts and institutions of higher education in aligning workforce development and educational efforts with the needs of the local labor market.

PART IV. COORDINATION ACTIVITIES

SB 2448 requires TWC in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board,

to establish and administer the Rural Workforce Development Grant Program.

PART V. REQUEST FOR IMPACT INFORMATION

TWC requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis. Please submit the requested information to TWCPolicyComments@twc.texas.gov no later than April 20, 2026.

PART VI. PUBLIC COMMENTS

Comments on the proposed rules may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than April 20, 2026.

SUBCHAPTER A. GENERAL PROVISIONS

40 TAC §§812.1 - 812.3

PART VII. STATUTORY AUTHORITY

The new rules are proposed under the authority of:

--Texas Labor Code, §302.306(1), as added by SB 2448, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration of the Rural Workforce Development Grant Program.

--Texas Labor Code, §301.0015(6) and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The proposed new rules implement Title 4, Texas Labor Code, Chapter 302, Subchapter J.

§812.1. Purpose and Goal.

(a) Purpose. The purpose of this chapter is for the Agency, in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board, to establish and administer the Rural Workforce Development Grant Program, as set forth by Texas Labor Code, Chapter 302, Subchapter J, under which the Agency may award grants to one or more eligible nonprofit organizations for the purpose of improving workforce development outcomes in rural areas.

(b) Goal. The Rural Workforce Development Grant Program's goal is to provide technical assistance and support to institutions of higher education and school districts located in rural areas of the state in aligning and delivering workforce training and higher education programs to address skills gaps to meet urgent workforce demands of rural areas.

§812.2. Definitions.

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

(1) Eligible Applicant--A nonprofit organization as defined under Texas Labor Code, §302.301.

(2) Grantee--A recipient of a grant from the Rural Workforce Development Grant Program.

§812.3. Program Funding.

In addition to any money appropriated for the Rural Workforce Development Grant Program, the Agency may solicit and accept gifts, grants, and donations from any public or private source for the 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 March 3, 2026.

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Les Trobman

General Counsel

Texas Workforce Commission

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For further information, please call: (737) 301-9662



SUBCHAPTER B. PROGRAM ADMINISTRATION

40 TAC §§812.11 - 812.15

The new rules are proposed under the authority of:

--Texas Labor Code, §302.306(1), as added by SB 2448, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration of the Rural Workforce Development Grant Program.

--Texas Labor Code, §301.0015(6) and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The proposed new rules implement Title 4, Texas Labor Code, Chapter 302, Subchapter J.

§812.11. Grant Eligibility.

To be eligible for a grant under the Rural Workforce Development Grant Program, an eligible applicant must:

(1) demonstrate experience in effectively providing technical assistance and support to institutions of higher education or school districts located in a rural area of this state in aligning and delivering workforce training and higher education programs to address skills gaps to meet the area's urgent workforce demands; and

(2) satisfy any other relevant grant eligibility criteria as outlined in the grant application.

§812.12. Grant Application.

To apply for the grant, an eligible applicant must submit a grant application in accordance with the procedure specified in the grant application.

§812.13. Grant Requirements.

(a) The grant contract must provide the Agency an opportunity to periodically evaluate the performance and outcomes of the grantee to ensure the public purpose of improving rural workforce development is accomplished.

(b) Grant money awarded to an eligible nonprofit organization under the Rural Workforce Development Grant Program shall be used by the organization only for costs associated with providing technical assistance and support to an institution of higher education or school district located in a rural area of this state in aligning and delivering workforce training and higher education programs to address skills gaps to meet the area's urgent workforce demands.

§812.14. Review and Reporting Requirements.

To maintain eligibility to receive grant payments, a grantee must comply with all review and reporting requirements specified in the grant contract. Failure to comply with the review and reporting requirements may result in termination of the grant award and the entity being ineligible for future grants under this chapter.

§812.15. Annual Report.

The Agency shall annually report on the Rural Workforce Development Grant Program's effectiveness, including any grants awarded during the most recent state fiscal year. Not later than December 1 each year, the Agency shall submit this report to the:

- (1) governor;
- (2) lieutenant governor;
- (3) speaker of the house of representatives; and
- (4) each standing committee of the legislature with primary jurisdiction over workforce development.

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 March 3, 2026.

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General Counsel

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CHAPTER 814. ADVANCED NUCLEAR ENERGY WORKFORCE DEVELOPMENT PROGRAM

The Texas Workforce Commission (TWC) proposes new Chapter 814, relating to Advanced Nuclear Energy Workforce Development Program, comprising the following subchapters:

Subchapter A. General Provisions, §814.1

Subchapter B. Program Administration, §§814.11 - 814.13

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the Chapter 814 rules is to establish and administer the Advanced Nuclear Energy Workforce Development Program.

Senate Bill 1535 (SB 1535), 89th Texas Legislature, Regular Session, 2025, amended Texas Labor Code, Chapter 302, Subchapter A, by adding §302.0081 relating to the creation of the Advanced Nuclear Energy Workforce Development Program.

SB 1535 tasks TWC, in collaboration with the Texas Education Agency (TEA) and the Texas Higher Education Coordinating Board (THECB), and in consultation with representatives designated by the Public Utility Commission of Texas (PUCT), to establish and administer the program. TWC will also work with the newly established Texas Advanced Nuclear Energy Office, which is responsible for overall planning, coordinating, promoting, and providing other supports to develop the nuclear energy industry in Texas.

SB 1535 also requires TWC to adopt rules as necessary to administer the program for the purpose of addressing urgent skilled labor demands in the advanced nuclear energy industry in Texas. The program will involve creating a strategic plan that meets SB 1535 requirements and developing curriculum requirements in collaboration with TEA and THECB.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

SUBCHAPTER A. GENERAL PROVISIONS

TWC proposes new Subchapter A, General Provisions, as follows:

§814.1. Purpose and Goal

New §814.1 states the Advanced Nuclear Energy Workforce Development Program's purpose and goal.

SUBCHAPTER B. PROGRAM ADMINISTRATION

TWC proposes new Subchapter B, Program Administration, as follows:

§814.11. Strategic Plan

New §814.11 details the requirements for the Advanced Nuclear Energy Workforce Development Program's strategic plan.

§814.12. Curriculum Development

New §814.12 outlines the requirements for curriculum development.

§814.13. Annual Report

New §814.13 details reporting requirements for TWC in consultation with TEA and THECB.

PART III. IMPACT STATEMENTS

Chris Nelson, Chief Financial Officer, has determined that for each year of the first five years the rules will be in effect, the following statements will apply:

There are no additional estimated costs to the state and to local governments expected as a result of enforcing or administering the rules.

There are no estimated cost reductions to the state and to local governments as a result of enforcing or administering the rules.

There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There are no foreseeable implications relating to costs or revenue of the state or local governments as a result of enforcing or administering the rules.

There are no anticipated economic costs to individuals required to comply with the rules.

There is no anticipated adverse economic impact on small businesses, microbusinesses, or rural communities as a result of enforcing or administering the rules.

Based on the analyses required by Texas Government Code, §2001.024, TWC has determined that the requirement to repeal or amend a rule, as required by Texas Government Code, §2001.0045, does not apply to this rulemaking.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), "taking" means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the US Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action, and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, deter-

mined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect. TWC completed a Takings Impact Assessment for the proposed rulemaking action under Texas Government Code, §2007.043. The primary purpose of this proposed rulemaking action, as discussed elsewhere in this preamble, is to establish the Advanced Nuclear Energy Workforce Development Program and develop a strategic plan that meets the requirements of SB 1535 and developing curriculum requirements.

The proposed rulemaking action will not create any additional burden on private real property or affect private real property in a manner that would require compensation to private real property owners under the US Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

Government Growth Impact Statement

TWC has determined that during the first five years the rules will be in effect, they:

--will create a government program pursuant to Texas Labor Code, §302.0081, as added by SB 1535, to create the Advanced Nuclear Energy Workforce Development Program;

--will not require the creation or elimination of employee positions;

--will not require an increase or decrease in future legislative appropriations to TWC;

--will not require an increase or decrease in fees paid to TWC;

--will not create a new regulation;

--will not expand, limit, or eliminate an existing regulation;

--will not change the number of individuals subject to the rules; and

--will not positively or adversely affect the state's economy.

Economic Impact Statement and Regulatory Flexibility Analysis

TWC has determined that the rules will not have an adverse economic impact on small businesses or rural communities, as the proposed rules place no requirements on small businesses or rural communities.

Mariana Vega, Director, Labor Market Information, has determined that there is not a significant negative impact upon employment conditions in the state as a result of the rules.

Mary York, Director, Workforce Development Division, has determined that for each year of the first five years the rules are in effect, the public benefit anticipated as a result of the proposed new rules will be to strengthen Texas' nuclear workforce and support industry growth.

TWC hereby certifies that the proposal has been reviewed by legal counsel and found to be within TWC's legal authority to adopt.

PART IV. COORDINATION ACTIVITIES

SB 1535 requires TWC, in collaboration with TEA and THECB, and in consultation with representatives designated by PUCT, to establish and administer the Advanced Nuclear Energy Work-

force Development Program and adopt rules as necessary. Additionally, TWC will coordinate its efforts to establish and administer the program with the Texas Advanced Nuclear Energy Office.

PART V. REQUEST FOR IMPACT INFORMATION

TWC requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis. Please submit the requested information to TWCPolicyComments@twc.texas.gov no later than April 20, 2026.

PART VI. PUBLIC COMMENTS

Comments on the proposed rules may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than April 20, 2026.

SUBCHAPTER A. GENERAL PROVISIONS

40 TAC §814.1

PART VII. STATUTORY AUTHORITY

The new rules are proposed under the authority of:

--Texas Labor Code, §302.0081(b), as added by SB 1535, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the establishment and administration of the Advanced Nuclear Energy Workforce Development Program.

--Texas Labor Code, §301.0015(6) and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The proposed new rule relates to Title 4, Texas Labor Code, Chapter 302, Subchapter A.

§814.1. Purpose and Goal.

(a) Purpose. The purpose of the Advanced Nuclear Energy Workforce Development Program is for the Agency, in collaboration with the Texas Education Agency and the Texas Higher Education Coordinating Board, and in consultation with representatives designated by the Public Utility Commission of Texas to establish and administer the Advanced Nuclear Energy Workforce Development Program.

(b) Goal. The Advanced Nuclear Energy Workforce Development Program's goal is to address urgent skilled labor demands in the advanced nuclear energy industry in this 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 March 3, 2026.

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Les Trobman

General Counsel

Texas Workforce Commission

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For further information, please call: (737) 301-9662



SUBCHAPTER B. PROGRAM ADMINISTRATION

40 TAC §§814.11 - 814.13

The new rules are proposed under the authority of:

--Texas Labor Code, §302.0081(b), as added by SB 1535, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the establishment and administration of the Advanced Nuclear Energy Workforce Development Program.

--Texas Labor Code, §301.0015(6) and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The proposed new rules relate to Title 4, Texas Labor Code, Chapter 302, Subchapter A.

§814.11. Strategic Plan.

To administer the Advanced Nuclear Energy Workforce Development Program, the Agency shall create a strategic plan for:

(1) addressing labor supply gaps and talent retention issues in the advanced nuclear energy industry; and

(2) providing financial assistance, including through the creation of strategic partnerships among public and private entities and advanced nuclear energy industry stakeholders, to incentivize and support:

(A) development of programming and outreach efforts designed to create awareness of nuclear science and career opportunities in the field of advanced nuclear energy among public school students;

(B) the creation of academic pathways from secondary school to education and training programs at institutions of higher education in the field of advanced nuclear energy;

(C) the creation by institutions of higher education of education and training programs in the field of advanced nuclear energy; and

(D) research and leadership development in the field of advanced nuclear energy at general academic teaching institutions.

§814.12. Curriculum Development.

To establish the Advanced Nuclear Energy Workforce Development Program, the Agency shall develop customized curriculum requirements for degree and certificate programs to prepare students for high-wage jobs in the advanced nuclear energy industry that, subject to the Texas Higher Education Coordinating Board approval under Texas Education Code, §61.0512, may be offered by an institution of higher education. In developing curriculum requirements, the Agency shall:

(1) consult with:

(A) representatives of the Texas Education Agency, Texas Higher Education Coordinating Board, general academic teaching institutions, public technical institutes, and public junior colleges;

(B) the designated representatives of the Public Utility Commission of Texas;

(C) the Texas Advanced Nuclear Energy Office; and

(D) employers in the advanced nuclear energy industry;
and

(2) focus on developing academic pathways to and curricula for programs leading to high-wage jobs in the areas of:

(A) nuclear-grade welding;

(B) radiological control and monitoring;

(C) reactor operations;

(D) nuclear instrumentation and control; and

(E) nuclear, electrical, chemical, civil, and environmental engineering.

§814.13. Annual Report.

No later than September 1 of each year, the Agency, in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board, shall prepare and submit to each standing committee of the legislature with primary jurisdiction over workforce development, higher education, or energy industry matters, a report summarizing the Agency's activities under the program. The report may include the Agency's recommendations for legislative or other action.

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 March 3, 2026.

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Les Trobman

General Counsel

Texas Workforce Commission

Earliest possible date of adoption: April 19, 2026

For further information, please call: (737) 301-9662



TITLE 43. TRANSPORTATION

PART 5. HARRIS COUNTY TAX ASSESSOR-COLLECTOR

CHAPTER 95. REGULATION OF MOTOR VEHICLE TITLE SERVICES

43 TAC §95.1

The Harris County Tax Assessor-Collector and Voter Registrar's Office ("HCTO") proposes amendments and additions to Chapter 95 of the Texas Administrative Code, §95.1, concerning Motor Vehicle Title Service Licensing.

BACKGROUND INFORMATION AND JUSTIFICATION

HB 3521, adopted by the 76th Legislature, Regular Session, requires tax assessors in counties with populations of more than 500,000 and whose commissioners court adopted Chapter 520 of the Texas Transportation Code, to license and regulate the title service businesses. The bill took effect on September 1, 1999.

As enacted by HB 3521, Texas Transportation Code Chapter 520 requires certain county tax assessors to license and regulate those engaged in the motor vehicle title service business and their agents (also called runners). Specifically, (1) Section 520.053 requires county tax assessors to license persons acting as motor vehicle title services and agents of motor vehicle license services, (2) Section 520.060 requires fees for licensing motor vehicle title service companies and their agents, and (3) Section 520.059 allows a tax assessor to deny, suspend, revoke, or reinstate a license and to adopt rules governing those actions.

The purpose of these amendments under Chapter 95 (Regulation of Motor Vehicle Title Services) is to update HCTO's disciplinary rules and the rules for the denial, suspension, revocation, and reinstatement of motor vehicle title service and motor vehicle

title service runner license holders. The amended rule also updates the licensing fees assessed by Harris County, which have not been updated since May 2000.

SECTION-BY-SECTION SUMMARY

Proposed §95.1(a) defines terms used within Chapter 95.

Proposed §95.1(b) establishes that all persons, and their agents, engaged in the motor vehicle title service business must be licensed. Tex. Transp. Code §520.053.

Proposed §95.1(c) sets forth the general application process to receive a motor vehicle title service/runner license. Tex. Transp. Code §520.054.

Proposed §95.1(d) sets forth the additional information that is needed for a motor vehicle title service/runner license when the applicant is a corporation. Tex. Transp. Code §520.055.

Proposed §95.1(e) sets forth the additional information that is needed for a motor vehicle title service/runner license when the applicant is a partnership. Tex. Transp. Code §520.056.

Proposed §95.1(f) sets forth the identification requirements for out-of-state applicants.

Proposed §95.1(g) establishes the relationship between motor vehicle title services and their representatives and runners who perform services for the motor vehicle title service in Harris County. Tex. Transp. Code §520.053.

Proposed §95.1(h) lists the requirements for a person to obtain a motor vehicle title service/runner license. Tex. Transp. Code §520.059.

Proposed §95.1(i) outlines the process HCTO will use to notify applicants about the status of their applications. Tex. Transp. Code §520.059.

Proposed §95.1(j) sets forth the rules for rejections and denials of license applications. Tex. Transp. Code §520.059.

Proposed §95.1(k) establishes the license fees for motor vehicle title services and their runners. Tex. Transp. Code §520.060. Tex. Transp. Code §520.060.

Proposed §95.1(l) explains when licenses expire and how they can be renewed, provides information about fees for untimely renewals. Tex. Transp. Code §520.053.

Proposed §95.1(m) describes the permitting and badging process for license holders. Tex. Transp. Code §520.053.

Proposed §95.1(n) sets forth the records and recordkeeping requirements for motor vehicle title services. Tex. Transp. Code §520.059.

Proposed §95.1(o) sets forth license holders' obligations to report information to HCTO and information related to physical inspections and audits. Tex. Transp. Code §§520.057, 520.058.

Proposed §95.1(p) outlines the make-up of the disciplinary review board, including appointments, terms, and quorums.

Proposed §95.1(q) outlines the review and disciplinary process used by the review board, which reviews allegations of policy or statute violations by motor vehicle title services. Tex. Transp. Code §520.059.

Proposed §95.1(r) sets for the guidelines for suspension or revocation of licenses. Tex. Transp. Code §520.059.

Proposed §95.1(s) provides the procedures for license reinstatement or the reconsideration of an adverse disciplinary decision.

Proposed §95.1(t) lists persons who are exempt from licensing requirements. Tex. Transp. Code §520.063.

Proposed §95.1(u) describes HCTO's public database for motor vehicle title services' information. Tex. Transp. Code §§520.053, 520.059.

Proposed §95.1(v) allows HCTO to adopt additional and further policies and procedures.

Proposed §95.1(w) allows HCTO to amend this code provision in the future.

FISCAL NOTE

HB 3521 requires a tax assessor to license motor vehicle title services companies and their agents, to collect licensing fees for motor vehicle title service companies and their agents, and to deny, suspend, revoke, or reinstate licenses for motor vehicle title services and their agents. While the amounts of licensing fees are not set by statute, the fees are expressly permitted. Late penalties are set by statute under Section 520.060. These proposed rules align with Chapter 520, generally, and with Section 520.060's requirements, specifically. The licensing fee for motor vehicle title services is increasing from \$200 per year to \$500 per year. The licensing fee for motor vehicle title service runners is increasing from \$100 a year to \$200 a year. License fees have not increased since 2000, when Chapter 95 became effective. The fee increase is necessary to cover the costs associated with HCTO's licensing and regulation of motor vehicle title services and their agents. The proposed fees are comparable to those imposed by other county tax assessors who have updated their fees within the last 5 years (see 43 Texas Administrative Code §445.11).

Roni Mihaly, Deputy Chief of Staff for HCTO, in connection with Harris County's Office of Management and Budget, has determined that for each year of the first five years that the proposed rule will be in effect, there will be no new fiscal implications for Harris County as a result of enforcing or administering the proposed rules. In addition, HCTO does not anticipate that enforcing or administering the proposed rule will result in any reductions in costs or in any additional costs to HCTO, the state, or local governments. HCTO does anticipate that there will be an increase in licensing fee revenue to Harris County, but that any increase in revenue will be offset by the costs associated with licensing and regulating motor vehicle title service companies and their agents. HCTO does not anticipate that there will be any loss or increase in revenue to the state as a result of enforcing or administering the proposed rule.

PUBLIC BENEFIT

Roni Mihaly, Deputy Chief of Staff for HCTO, has determined that for each year of the first five years that the proposed amended rule will be in effect, the public benefit expected as a result of adopting the proposed rule will be a reduction in false and fraudulent documentation being presented in association with motor vehicle title service transactions because the new and amended rules provide HCTO with expanded authority to regulate motor vehicle title services. Under the existing rules, HCTO can only bring a motor vehicle title service before the disciplinary review board if the motor vehicle title service has submitted false or fraudulent paperwork on at least three (3) occasions. At the first hearing before the review board, if the review board finds that the motor vehicle title service engaged in false or fraudulent behav-

ior, the review board can only recommend a 90-day suspension of the motor vehicle service's license. On the second hearing before the review board, if the review board finds that the motor vehicle title service engaged in false or fraudulent behavior, the review board can only recommend a 180-day suspension of the motor vehicle service's license. License revocation cannot occur until the motor vehicle service is brought before the review board for a third time-meaning that there are at least nine (9) instances of that motor vehicle title service presenting false or fraudulent information before the motor vehicle title service can be prevented from continuing with its actions. See the current 43 Texas Administrative Code §95.1(g)(2), (g)(5). The proposed new rules permit greater latitude for discipline and in the denial, suspension, revocation, and reinstatement of licenses for motor vehicle title services and their agents. Additionally, the proposed amended rule will benefit the public because the amended rule allows Harris County to more fully recoup its costs associated with the licensing and regulation of motor vehicle title services and their agents.

ECONOMIC COSTS TO PERSONS AND IMPACT ON LOCAL ECONOMY

There are no anticipated economic costs to persons required to comply with the proposed amended rule. There is a cost imposed on motor vehicle title services and their agents, pursuant to Section 520.060 of the Texas Transportation Code. There is no effect on local economy for the first five years that the proposed amended rule will be in effect; therefore, no local employment impact statement is required under Texas Government Code §§2001.022 and 2001.024(a)(6).

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES

The proposed amended rule will have no direct adverse economic impact on small businesses, micro-businesses, or rural communities. Accordingly, the preparation of an economic impact statement and a regulatory flexibility analysis, as specified in Texas Government Code §2006.002, is not required.

GOVERNMENT GROWTH IMPACT STATEMENT

Pursuant to Texas Government Code §2001.0221, HCTO provides the following government growth impact statement for the proposed rules. For each year of the first five years that the proposed amended rule will be in effect, the Office has determined the following:

- (1) the proposed rule will not create or eliminate a government program;
- (2) implementation of the proposed rule will not require the creation of new employee positions or the elimination of existing employee positions;
- (3) implementation of the proposed rule will not require an increase or decrease in future legislative appropriations to Harris County;
- (4) the proposed rule will require an increase in fees paid to Harris County;
- (5) the proposed rule is an amended rule and therefore create new regulations;
- (6) the proposed rule do expand an existing regulation;
- (7) the proposed rule will not increase or decrease the number of individuals subject to the rules' applicability; and

(8) the proposed rule will not positively or adversely affect the state's economy.

REQUEST FOR PUBLIC COMMENTS

Comments or questions on the proposed amended rule may be submitted in writing and directed to Samantha Kealoha, Chief of Staff, Harris County Tax Assessor-Collector and Voter Registrar's Office, 1001 Preston, Houston, Texas 77002, or by email to comments@tax.hctx.net. Comments will be accepted for thirty (30) days from the date of publication of the proposed rules in the *Texas Register*. Comments should be organized in a manner consistent with the organization of the proposed amended rule.

STATUTORY AUTHORITY

The proposed amended rule is authorized by Texas Government Code §2001.004(1) and Texas Transportation Code §§ 520.053, 520.059(b), 520.060. Texas Government Code §2001.004(1) requires a state agency to adopt rules of practice stating the nature and requirements of formal and informal procedures. Texas Transportation Code §520.053 requires persons, and their agents, who do business as motor vehicle title services to be licensed by HCTO. Texas Transportation Code §520.059(b) directs HCTO to adopt rules establishing the grounds for the denial, suspension, revocation, and reinstatement of licenses for motor vehicle title services and their agents. Texas Transportation Code §520.060 sets parameters for the licensing fees charged to motor vehicle title services and their agents.

CROSS REFERENCE TO STATUTE

The proposed amended rule implements Chapter 520 of the Texas Transportation Code. No other statute, code, or article is affected by the proposed rules.

§95.1. *Motor Vehicle Title Service Licensing.*

(a) Definitions.

(1) "Convicted" means an adjudication of guilt or, except as provided by Government Code Section 411.1711, an order of deferred adjudication entered against a person by a court of competent jurisdiction whether or not the imposition of the sentence is subsequently probated and the person is discharged from community supervision. The term does not include an adjudication of guilt or an order of deferred adjudication that has been subsequently:

- (A) expunged;
- (B) pardoned under the authority of a state or federal official; or
- (C) otherwise vacated, set aside, annulled, invalidated, voided, or sealed under any state or federal law.

(2) "Motor vehicle" means:

- (A) Any motor driven or propelled vehicle required to be registered under the laws of this state;
- (B) A trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;
- (C) A travel trailer;
- (D) An off-highway vehicle, as defined by Section 551A.001 Transportation Code; or
- (E) A motorcycle or moped that is not required to be registered under the laws of this state.

(3) "Motor vehicle title documents" means motor vehicle title applications, motor vehicle registration renewal applications, motor vehicle mechanic's lien title applications, motor vehicle storage lien title applications, motor vehicle temporary registration permits, motor vehicle title application transfers occasioned by the death of the title holder, or notifications under Chapter 683, Transportation Code or Chapter 70, Property Code.

(4) "Motor vehicle title service" means any person that, for compensation, directly or indirectly assists other persons in obtaining motor vehicle title documents by submitting, transmitting, or sending applications for motor vehicle title documents to the appropriate government agencies.

(5) "Motor vehicle title service representative" means an individual authorized by a motor vehicle title service to execute motor vehicle title documents on behalf of the motor vehicle title service.

(6) "Motor vehicle title service runner" means any person employed by a licensed motor vehicle title service to submit or present motor vehicle title documents to the Tax Assessor.

(7) "Out-of-County motor vehicle title service" means a motor vehicle title service located outside of Harris County, Texas with no offices in Harris County, but which processes more than five (5) title and/or registration transactions in a calendar year in Harris County.

(8) "Person" means an individual, partnership, company, or corporation.

(9) "Tax Assessor" means the Harris County Tax Assessor-Collector.

(10) "License holder" means, unless otherwise specified in this Chapter, a person who holds a motor vehicle title service license and a motor vehicle title service runner's license.

[(a) Who must apply for Motor Vehicle Title Service License.]

[(1) All companies and individuals wishing to conduct title service business in Harris County, as defined in Chapter 520 of the Transportation Code under subchapter E must be licensed by the County Tax Assessor-Collector.]

[(2) Any organization that falls into the category of "motor vehicle title service" company must be registered and licensed by the County Tax Assessor-Collector. "Motor vehicle title service" means any person who, for compensation, directly or indirectly assists other persons in obtaining title documents by submitting, transmitting or sending applications for the title documents to the appropriate government agencies.]

[(3) There are two categories of licenses that are required to do business: the Motor Vehicle Title Service License and the Title Service Runner License.]

[(A) The operator of a motor vehicle title service company must complete a form provided by the County Tax Assessor-Collector. The operator of the title service company will provide the company name, as well as the name of all individuals who have an ownership interest in the applying motor vehicle title service company. The motor vehicle title service company shall assume the responsibility for the accuracy and validity of all documents presented to the County Tax Assessor-Collector under its name.]

[(B) A "motor vehicle title service runner" is a registered agent of a registered motor vehicle title service company. The motor vehicle title service runner has the authority to present motor vehicle title documents to the County Tax Assessor-Collector's office for processing. Runners must be authorized by a motor vehicle title

service company. Runners may represent more than one motor vehicle title service company.]

(b) Motor Vehicle Title Service License Required.

(1) All persons conducting motor vehicle title services or providing motor vehicle title service runner services in Harris County, must be licensed by the Tax Assessor, unless exempted by statute or this Chapter.

(2) A person may not perform any motor vehicle title services or act as a motor vehicle title service runner unless that person or entity holds a license issued by the Tax Assessor. The Tax Assessor issues the following licenses related to motor vehicle title service businesses and operations:

(A) Motor vehicle title service licenses; and

(B) Motor vehicle title service runner licenses.

(3) The Tax Assessor may, in her/his discretion, limit the number of motor vehicle title service and motor vehicle title service runner licenses that are issued.

[(b) Application Process. Individuals and companies wishing to complete an application to register as a motor vehicle title service company, or as a runner, must apply at the Harris County Administration at 1001 Preston, Room 100, Houston, Texas. All applicants must present their current Texas driver's license or a Texas Department of Public Safety identification card at the time they apply. Lack of a current Texas driver's license or a Texas Department of Public Safety identification card disqualifies an applicant from being licensed. The minimum age at which a person may apply for a license is 16.]

[(1) Vehicle Title Service License Requirements]

[(A) Service Company License, shall, in addition to fulfilling the requirements set forth in Chapter 520 of the Transportation Code, Subchapter E, provide a "doing business as" (DBA) certificate, or articles of incorporation; plus banking information. Applicants must provide a physical address. No license will be issued to a company or individual whose address is a Post Office Box.]

[(B) Vehicle title service companies must identify all individuals who have an ownership in the business. All persons with an ownership interest in a vehicle title service company are subject to the requirements of this Act, and must be licensed under its terms and conditions.]

[(C) Runners must be identified and sponsored by the motor vehicle title service company in order to conduct business on its behalf. Only individuals and entities that have been awarded a motor vehicle title service license can authorize a runner. The required documents for any runner who is authorized as an agent of a title company must be on file with each service company for which the runner is an authorized agent.]

[(D) Upon completion of their application, applicants will be contacted within ten (10) working days, by mail and by phone. They will be instructed to report to the office of the County Tax Assessor-Collector to pick up a letter or authorization, or a letter of rejection.]

[(E) Licensed must be renewed annually. Applicants must meet all original requirements.]

[(2) Requirements for Title Service Runner License]

[(A) A licensed motor vehicle title service company must authorize all individuals who will process paperwork on its behalf. Individuals whose names are not on file as agents of a title company will not be allowed to conduct business on behalf of that title service company.]

~~[(B) All individuals shall fill out the application for a Title Service Runner License. All applicants will be notified within ten (10) working days, by mail and by phone, to report to the office of the County Tax Assessor-Collector to pick up a letter of authorization or a letter of rejection.]~~

~~[(C) Any unlicensed individual observed conducting frequent motor vehicle title transactions on behalf of others, and who claims not to be receiving any compensation for such activities, shall be required to complete an affidavit stating that he or she is not receiving compensation for conducting motor vehicle title transactions. The affidavit shall be notarized and forwarded to the appropriate law enforcement agencies by a deputy of the County Tax Assessor-Collector.]~~

(c) Application Process/General Requirements.

(1) This section applies to all license applicants, including all license renewals. Paragraphs (3) (D), (E), (I), (J) and (L) do not apply to applicants for motor vehicle title service runner licenses. An applicant must be at least 18 years of age to hold a license.

(2) An applicant must apply on a form prescribed by the Tax Assessor. An applicant may apply for a license at a location specified and at the times designated on the Tax Assessor's website. Applications may also be mailed to the Tax Assessor at the address indicated on its website.

(3) The application form must be signed by the applicant and the applicant must present a completed application to the Tax Assessor along with the following:

(A) The applicant's name, business address, and business telephone number;

(B) If the applicant is an individual, the individual's date of birth and authorization to work within the United States;

(C) The name under which the applicant will do business, and a copy of the assumed name certificate for each assumed name used by the applicant.

(i) A license will not be issued under a fictitious name, and

(ii) An applicant may not adopt a fictitious name that is similar to or may be confused with the name of a government entity or that is deceptive or misleading to the public;

(D) The physical address of each office from which the applicant will conduct business. If the applicant has more than one business location, the applicant will designate one location as its principal place of business. No license will be issued to a business with a post office box as its sole address or principal place of business. An applicant may not use an address as a business address if the operation of a motor vehicle title service business would violate any deed restrictions, leases, homeowner's association restrictions, zoning laws, or any other property use restrictions applicable to that address. The applicant will provide copies of applicable deed restrictions, leases, homeowner's association restrictions, zoning laws, or other property use restrictions in connection with its license application upon the request of the Tax Assessor. The Tax Assessor may also require that an applicant provide proof from a landlord, homeowner's association, or other third party that use of the property for a motor vehicle title service will not violate deed restriction, lease, homeowner's association restriction, zoning law, or other property use restrictions;

(E) A true and accurate image of the building where each office of the business is physically located showing:

(i) Permanent signage with the business name and phone number; and

(ii) The directory showing the title service name and suite number if the office is located inside a building with more than one occupant;

(F) A copy of the applicant's or each motor vehicle title service representatives' current Texas driver's license or Texas Department of Public Safety identification card;

(G) A copy of the applicant's or each motor vehicle title service representatives' Social Security card that matches the name on the identification presented;

(H) An individual with a Social Security card branded to indicate it does not authorize the individual to work must have authorization from the agency that branded the card before the card will be accepted;

(I) The applicant's Federal Tax Identification number and a completed W-9 form;

(J) The applicant's current, active state sales tax number;

(K) A statement indicating whether the applicant or any motor vehicle title service representative has previously applied for a motor vehicle title service license or motor vehicle title service runner license; the result of the previous application, and whether the applicant has ever been the holder of a license that was revoked or suspended;

(L) The name and address of applicant's bank and the applicant's bank account number;

(M) All applicable licensing fees; and

(N) A fingerprint based criminal history record check from the Texas Department of Public Safety dated within 90 days of the application.

(4) The applicant shall ensure that all information and documents presented to the Tax Assessor are accurate and complete.

~~[(e) Causes for rejection of application for license. The following shall disqualify an individual from being licensed under this Act:]~~

~~[(1) Submitting false information on the application form or any supporting documents.]~~

~~[(2) Having been convicted of a felony or a crime of moral turpitude for which the completion date of the applicant's sentence is less than five years from the date of applying for a license under this Act.]~~

~~[(3) Having been found in violation of administrative procedures by the Texas Department of Transportation.]~~

(d) Additional Requirements for Corporations. In addition to the general requirements for all applicants, corporations shall also provide:

(1) A copy of the corporation's articles of incorporation showing state of incorporation and date of incorporation;

(2) A current certificate of good standing;

(3) The name and address of the corporation's registered agent;

(4) The corporation's Employer Identification Number (EIN) and a completed W-9 form;

(5) The name, address, date of birth, and social security number of each of the officers and directors of the corporation;

(6) Information about each officer and director as required by the Tax Assessor to establish the business reputation and character of the applicant; and

(7) A statement indicating whether an employee, officer, or director has been refused a motor vehicle title service license or a motor vehicle title service runner's license or has been the holder of a license that was revoked or suspended.

[(d) Fees. Non-refundable annual fees for licenses shall be as follows:]

[(1) The fee for a Vehicle Title Service Company License shall be \$200.00 for the first year and \$100 per year each year thereafter.]

[(2) The annual fee for a Title Service Runner License shall be \$50.00.]

(e) Additional Requirements for Partnerships. In addition to the general requirements for all applicants, partnerships shall also provide:

(1) A copy of the partnership agreement;

(2) If the business is a limited partnership, a current certificate of good standing and the name and address of the registered agent;

(3) The name, address, date of birth, and social security number of each partner;

(4) The partnership's Employer Identification Number (EIN);

(5) Information about each partner as required by the Tax Assessor to establish the business reputation and character of the applicant; and

(6) A statement indicating whether a partner or employee of the business has been refused a motor vehicle title service license or a motor vehicle title service runner's license or has been the holder of a license that was revoked or suspended.

[(e) Policies for conducting transactions.]

[(1) A Tax Assessor-Collector vehicle transaction form must accompany all motor vehicle title service transactions. The motor vehicle title service company officer or operator shall print and sign his or her name in the space provided, and fill in his or her company authorization number in the space provided.]

[(2) The individual preparing the document will print and sign his or her name in the space provided. That person will also fill in his or her Texas driver's license number.]

[(3) All runners processing documents at the office of the County Tax Assessor-Collector shall print and sign their names in the spaces provided. Runners shall also fill in their County Tax Assessor-Collector authorization number in the appropriate block.]

[(4) In the space labeled Description of Vehicles, all vehicles that the title service company wants to complete a transaction on must be listed and identified as transfer of ownership, renewal or replacement of license plates or registration sticker. The vehicle make, model, year and vehicle identification number must be printed legibly. Only the vehicles authorized by a licensed motor vehicle title service company can be printed on the form. The motor vehicle title service company is responsible for the accuracy and validity of the information for each vehicle listed. Only vehicles authorized and listed by the licensed motor vehicle title service company will be processed.]

[(5) After the final vehicle transaction on each transaction sheet is completed, a copy of the transaction sheet will be made and given to the runner. The original transaction sheet will remain on file at the office of the County Tax Assessor-Collector.]

(f) Out-of-State Applicants. In lieu of the Texas identification requirement, applicants located outside the state of Texas must provide a valid US state-issued driver's license or a valid US state-issued identification card.

[(f) The Review Board. The County Tax Assessor-Collector shall appoint a five-member Review Board to review allegations of policy and statute violation. The Review Board shall consist of two deputies from the County Tax Assessor-Collector's office who deal with motor vehicle registration. Two members of the Review Board shall be selected from law enforcement; one from the County Sheriff's office and one from a municipal jurisdiction within the County. The fifth member of the Review Board shall be a representative who is active in the motor vehicle title service industry. Memberships will last one year and replacements will be selected on a staggered basis.]

(g) Authorization Required.

(1) A licensed motor vehicle title service must authorize all motor vehicle title service representatives and runners who will perform motor vehicle title service business on its behalf. Individuals whose names are not on file as a representative or a runner of the motor vehicle title service will not be allowed to conduct business on behalf of that motor vehicle title service. A motor vehicle title service license holder sponsors and is legally responsible for each motor vehicle title service representative and runner it authorizes to do business on its behalf.

(2) A motor vehicle title service shall notify the Tax Assessor's Office by email or mail within three (3) calendar days when a representative or runner is no longer authorized by that motor vehicle title service. The motor vehicle title service shall be responsible for all transactions performed on behalf of the motor vehicle title service by a runner prior to such notice.

(3) All motor vehicle title service runners must be employed by the motor vehicle title service that authorizes them to do business.

[(g) Cancellation, Suspension or Revocation of License.]

[(1) It shall be the duty of the County Tax Assessor-Collector to cancel the Motor Vehicle Title Service License or Title Service Runner's License issued to a person, firm or corporation when such license is found by the Review Board to have been obtained by submitting false or misleading information.]

[(2) License holders are subject to license cancellation or suspension if more than two vehicle document packets they submit to the County Tax Assessor-Collector's office are found by the Review Board to contain false information and the false information is determined to have been intentionally submitted by the motor vehicle title service company.]

[(3) A runner is subject to license cancellation or suspension if the Review Board determines that the runner presented a title packet to the County Tax Assessor-Collector's office that was not authorized by a licensed Motor Vehicle Title Service Company. If it is determined that a runner altered or forged the original paperwork prepared for and signed by the motor vehicle title service company, that runner shall be subject to license suspension or cancellation pending a decision from the Review Board.]

~~[(4) Under Section 520.059 of the Transportation Code, the County Tax Assessor-Collector may deny, suspend, revoke or reinstate a license.]~~

~~[(5) If the Review Board renders a determination of intentional, factual vehicle document misrepresentation, the Review Board may recommend a 90-day suspension of license for the first offense. The Review Board may recommend a 180-day suspension of license for the second offense. The Review Board may recommend a license revocation for the third offense.]~~

~~[(6) The Review Board has the right to revoke any license upon notification of conviction of a felony or crime of moral turpitude.]~~

~~[(7) The County Tax Assessor-Collector shall review any recommendation of the Review Board and render the final decision.]~~

(h) Requirements for Motor Vehicle Title Service Runner License.

(1) All motor vehicle title service runners must complete an application on a form prescribed by the Tax Assessor and must be granted a license(s) by the Tax Assessor before the motor vehicle title service runner may perform any motor vehicle title service runner services.

(2) A motor vehicle title service license holder must identify each motor vehicle title service runner acting on its behalf on a form supplied by the Tax Assessor. A motor vehicle title service runner who does not appear in the Tax Assessor's records as an authorized runner for a motor vehicle title service will not be allowed to act as a runner for that motor vehicle title service. A licensed motor vehicle title service runner may act on behalf of more than one motor vehicle title service, but must hold a separate license for each motor vehicle title service he/she works for.

(3) Any unlicensed person who conducts motor vehicle title transactions on behalf of others may be required to complete an affidavit provided by the Tax Assessor's Office stating that the person is not receiving compensation for conducting motor vehicle title transactions. In the event a person is found to be conducting motor vehicle title transactions on behalf of others without a license, the Tax Assessor's Office may refuse to accept motor vehicle title documents from the person and make a report to an appropriate law enforcement entity.

~~[(h) The Review Process.]~~

~~[(1) The Review Board shall meet once a month at a date determined by the County Tax Assessor-Collector. The board will review any complaints and make a determination as to whether the questioned vehicle documents presented to the County Tax Assessor-Collector constitute intentional misrepresentation of fact.]~~

~~[(2) A quorum of three members of the Review Board must be present to render a decision. No proxy votes will be allowed.]~~

~~[(3) The County Tax Assessor-Collector shall appoint a member of the Review Board to chair meetings of the Review Board.]~~

~~[(4) A majority vote of members present at a meeting of the Review Board shall determine the outcome of matters under consideration.]~~

~~[(5) All decisions shall be subject to a final review by the County Tax Assessor-Collector.]~~

(i) Application Approval/Denial

(1) Applicants will be notified by email and certified mail, that their applications were approved or denied within 10 business days after the submission of all information and documents necessary for the

Tax Assessor to make a determination on the application. Denial letters will be sent by email, by certified mail, or another method that verifies delivery, to the address of the applicant's principal place of business as identified on the application.

(2) Incomplete applications will not be processed. An email will be sent notifying the applicant of an incomplete application. Applicants whose applications are incomplete have 30 days to correct or supplement their applications with missing information. If the missing or incomplete information is not provided to the Tax Assessor within the 30-day cure period, the application will be denied, the license fee will be retained by the Tax Assessor, and applicant will have to submit a new application and license fee to obtain a license. The 30-day cure period is calculated from the date the email is sent notifying the applicant of the incomplete application.

[(i) License Reinstatement.]

[(1) The Review Board will examine all license suspensions before the end of the suspension period. The Review Board will make a recommendation to the County Tax Assessor-Collector as to whether the individual or company should have their license reinstated.]

[(2) The County Tax Assessor-Collector shall review the Board's recommendation and render a final decision.]

(j) Causes for rejection of application for license.

(1) Applications that contain false information, whether in the application or in any supporting documents, may be denied. An applicant whose application is denied for submitting false information forfeits the license fee and will be prohibited from reapplying for a license.

(2) Any of the following will also disqualify a person from being licensed and will result in the forfeiture of all licensing fees previously paid:

(A) Having been convicted of a felony or a crime of moral turpitude or deceptive business practices for which the completion date of the person's sentence, including any probationary period, is less than five years from the application date. The application of a person whose sentence was completed five or more years prior to the date of application will be considered on a case-by-case basis. In those cases, the Tax Assessor may consider the nature and seriousness of the offense, the person's age at the time of the conviction, the time that has expired since the conviction, the relevance of the crime to the duties and responsibilities of a motor vehicle title service or a motor vehicle title service runner, the person's other criminal history, any explanation provided by the person, and any other information relevant to the application process or the duties of a licensee. The Tax Assessor shall have absolute discretion to decide whether a person is suited for licensing. For purposes of this section, the Tax Assessor may review and make a determination based on the criminal history (as described in this section) of an applicant and/or the applicant's owners, officers, directors, partners, or representatives.

(B) Engaging in violations of these administrative rules and procedures or of any other applicable law, regulation, rule or procedure, including those issued by the Texas Department of Motor Vehicles.

(C) Having outstanding or delinquent Class C misdemeanor fines, open warrants or other taxes, fines, or fees owed to any Texas county that are not paid or otherwise resolved within 30 days from the date the Tax Assessor provides the applicant with written notice of the outstanding amounts due.

(D) Having been criminally or civilly sanctioned for the unauthorized practice of law by a government or quasi-government body of competent jurisdiction.

(E) Having a license issued by the DMV revoked or suspended.

(F) Listing an address as a business address when conducting a motor vehicle title service company from that address would violate any deed restriction, lease, homeowner's association restriction, zoning law, or other property use restriction.

(G) Any other reason deemed by the Tax Assessor, in good faith, as sufficient to deny a license.

(3) A motor vehicle title service license or a motor vehicle title service runner's license may be denied if granting the license would exceed the maximum number of motor vehicle title service licenses or motor vehicle title service runner's licenses, respectively, that the Tax Assessor has agreed to issue.

(4) A person who holds a motor vehicle title service runner's license may not also be licensed as a motor vehicle title service.

(5) A person who holds a motor vehicle title service runner's license may not relinquish that license and apply to be a motor vehicle title service if the license of a motor vehicle title service that employs that runner is suspended or has had its license revoked.

(6) The Tax Assessor shall have absolute discretion to decide whether a person is issued a license.

{(j) The County Tax Assessor-Collector shall maintain a publicly accessible database containing information about each licensed Motor Vehicle Title Service Company and each licensed Title Service Runner.}

(k) Fees. Non-refundable, annual fees for licenses shall be as follows:

(1) The fee for a motor vehicle title service license shall be \$500.00 for the first year with a renewal fee of \$500 per year each year thereafter.

(2) The annual fee for a motor vehicle title service title service runner license shall be shall be \$200.00 for the first year with a renewal fee of \$200 per year each year thereafter.

(3) The fee to replace a badge is \$25.00.

(4) All fees must be paid by certified check, money order, or business check in the name of the motor vehicle title service.

{(k) Amendment Process. The County Tax Assessor-Collector reserves the right to amend these rules as deemed necessary.}

(l) Expiration and Renewal of Licenses

(1) A license issued under this chapter expires on the first anniversary of the date of issuance and may be renewed annually on or before the expiration date upon reapplication and payment of the required renewal fee.

(2) Before the 30th day preceding the date on which a person's license expires, the Tax Assessor shall notify the person of the impending expiration. The notice will be in writing and sent to the person's last known address according to the records of the Tax Assessor. Failure to send the notice under this provision does not provide any right or remedy to the license holder.

(3) A person whose license has expired may not engage in activities that require a license until the license has been renewed or a new license obtained.

(4) If a person's license has been expired for 90 days or less, the person may renew the license by paying the Tax Assessor one and one-half (1.5) times the required renewal fee.

(5) If a person's license has been expired for longer than 90 days but less than one year, the person may renew the license by paying the Tax Assessor two (2) times the required renewal fee.

(6) If a person's license has been expired for one year or longer, the person may not renew the license. The person may obtain a new license by complying with the requirements and procedures, including paragraph (j)(3) of this Chapter, for obtaining an original license. Notwithstanding the foregoing, if a person was licensed under this Chapter, moved to another state, and has been doing business in the other state for the two years preceding application, the person may renew an expired license by paying the Tax Assessor a fee that is equal to two (2) times the required license renewal fee.

(m) Permit Numbers and Badges.

(1) A motor vehicle title service shall identify all motor vehicle title service representatives it has appointed or authorized to conduct business on its behalf on a form provided by the Tax Assessor. A person whose name is not on file with the Tax Assessor as motor vehicle title service representative for a motor vehicle title service shall not conduct business on behalf of that motor vehicle title service and motor vehicle title documents signed by those persons will be returned.

(2) A person may not serve as a motor vehicle title service representative unless the person provides the Tax Assessor with a current (dated within 90 days of submission of the form) fingerprint based criminal history record check from the Texas Department of Public Safety. A person who has been convicted of any felony, crime of moral turpitude, or of deceptive business practices shall not serve as a motor vehicle title service representative if the completion date of the person's sentence (including any probationary period) is fewer than five years from the date of the appointment. A person whose sentence was completed five or more years prior to the date of appointment will be considered on a case-by-case basis. In those cases, the Tax Assessor may consider the nature and seriousness of the offense, the applicant's age at the time of the conviction, the time that has expired since the conviction, the relevance of the crime to the duties and responsibilities of a motor vehicle title service representative, the applicant's other criminal history, any explanation provided by the applicant, and any other information relevant to the application process or the duties of a licensee. The Tax Assessor shall have absolute discretion to decide whether a person may serve as a motor vehicle title service representative.

(3) All motor vehicle title service representatives and motor vehicle title service runners shall be issued a permit number.

(4) All motor vehicle title service representatives and all motor vehicle title service runners must obtain a badge issued by the Tax Assessor which must be presented at the Tax Assessor's offices. Persons eligible for a badge will be instructed to report to a determined location on a scheduled day and time for badge processing, which shall include making a photographic or electronic image of the badge holder.

(5) Motor vehicle title service representatives and runners must pick up their badges from the Tax Assessor's office.

(6) Badges must be updated annually. Motor vehicle title service representatives and runners must have a current badge to conduct motor vehicle transactions.

(n) Records and recordkeeping.

(1) All motor vehicle title transactions for Harris County will be processed at locations specified by the Tax Assessor on its web-

site. Only motor vehicle title documents, as that term is defined in this Chapter, will be processed. Motor vehicle title services and their runners may not present any transactions or conduct any transactions at any location other than the locations identified on the Tax Assessor's website.

(2) A holder of a motor vehicle title service license shall maintain records as required by Texas Transportation Code §520.057 on forms prescribed and made available by the Tax Assessor for each transaction in which the motor vehicle title service receives compensation. The records shall include:

(A) The date of transaction;

(B) The name, age, address, sex, driver's license number, and a legible photocopy of the driver's license for each customer; and

(C) The license plate number, vehicle identification number, and a legible photocopy of proof of financial responsibility for the motor vehicle involved.

(3) A Tax Assessor vehicle transaction form must accompany all motor vehicle title service transactions. The motor vehicle title service company representative shall print and sign the representative's name in the space provided, and fill in the representative's permit number in the appropriate space.

(4) The motor vehicle title service business and the motor vehicle title service representative who signs the transaction form are responsible for the accuracy and validity of the information for each vehicle listed. Only vehicles authorized and listed by the licensed motor vehicle title service will be processed.

(5) All motor vehicle motor vehicle title service runners processing documents at the office of the Tax Assessor shall print and sign their names on the vehicle transaction form in the spaces provided. Motor vehicle title service runners shall also fill in their permit number in the appropriate space.

(6) All vehicles that are the subject of a transaction must be listed and identified as transfer of ownership, renewal or replacement of license plates, registration sticker, or other transactions on the vehicle transaction form. The vehicle make, model, year, and vehicle identification number must be printed legibly in the space provided.

(7) All required forms must be filled out accurately and completely. Inaccurate or incomplete forms will be rejected and the motor vehicle title transactions associated with those forms will not be completed.

(8) All required forms must be submitted in the manner determined by the Tax Assessor. Forms that are not correctly submitted will be rejected and the motor vehicle title transactions associated with those forms will not be completed.

(9) Motor vehicle title documents that contain false or altered information will be retained by the Tax Assessor's office for review by the Review Board. If motor vehicle title documents are retained, either the purchaser or seller of the vehicle must appear at the Tax Assessor's office with corrected documents before any transaction for that vehicle will be completed.

(10) All original transaction sheets will remain on file with the Tax Assessor.

(11) A motor vehicle title service shall keep at its principal place of business:

(A) Two copies of all records required by Texas Transportation Code §520.057, including the vehicle transaction form, for at least 2 years after the date of the transaction;

(B) Legible photocopies of any documents submitted by a customer; and

(C) Legible photocopies of any documents submitted to the Tax Assessor.

(o) Reporting Procedures and Record Inspections

(1) A motor vehicle title service license holder must notify the Tax Assessor, within three calendar days, of all changes to (i) the address of its principal place of business and other business locations; and (ii) its business telephone and email addresses.

(2) A motor vehicle title service must immediately (within three calendar days) report any change of its principals, partners, owners, officers, or directors to the Tax Assessor. The information and documentation required to be furnished as part of an original license application will be required for each new or additional principal, partner, owner, officer, or director.

(3) Each motor vehicle title service must keep (i) its original license and application and (ii) a copy of each license issued to a motor vehicle title service representative or runner connected with the motor vehicle title service at its principal place of business. Each motor vehicle title service must keep copies of its license, application, and of each license/permit issued to a motor vehicle title service representative or runner connected with the motor vehicle title service at all other business locations.

(4) A motor vehicle title service runner must notify the Tax Assessor of any changes of address and/or contact information within three calendar days of the change.

(5) A law enforcement officer or representative of the Harris County Tax Office is entitled to inspect a motor vehicle title service's records, on the premises of the principal business location of the motor vehicle title service or at any location where the motor vehicle title service does business, at a reasonable time, to verify, check, or audit the records. A motor vehicle title service shall cooperate with law enforcement and the Harris County Tax Office representatives and must permit such an inspection. Failure to cooperate with or permit an inspection, or to maintain required records, may result in the suspension or revocation of the motor vehicle title service's license.

(6) If law enforcement appears at the location listed by the motor vehicle title service as that motor vehicle title service's principal business address to conduct an inspection and the motor vehicle title service is not conducting business at the location, the Tax Assessor may, in its discretion, revoke the motor vehicle title service's license.

(7) Specific records of out-of-county motor vehicle title services may be requested for inspection. The out-of-county motor vehicle title service must send all requested records to the Tax Assessor's Office either (i) by mail, Attention: Special Investigations Unit, at 1001 Preston, Houston, TX 77002, at the expense of the out-of-county title service, with return postage prepaid, or (ii) by email. If the Tax Assessor determines that an on-site audit is necessary, an out-of-county title service will be responsible for the travel costs for two inspectors of the Tax Assessor's Office, calculated at Harris County's current county per diem rate, and including airfare and other transportation costs, meals, and lodging.

(p) The Review Board.

(1) The Tax Assessor shall appoint a five-member Review Board to review allegations of policy and statute violations, including violations of this Chapter. The Review Board shall consist of:

(A) Two (2) employees from the Tax Assessors office experienced with motor vehicle title services and/or title and registration functions or services;

(B) members of law enforcement; and

(C) One (1) member who is active in the motor vehicle title service industry.

(2) If the Tax Assessor is unable to fill a board seat as required by section (p)(1)(B) or (C), the Tax Assessor may appoint a Harris County Tax Office employee that meets the qualifications of section (p)(1)(A) to fill that board seat.

(3) Appointments shall be for two years and shall be made in staggered terms. There are no term limitations and the Tax Assessor may reappoint board members for additional terms.

(4) A quorum of three members of the Review Board must be present to render a decision. No proxy votes will be allowed.

(5) The Tax Assessor shall appoint a member of the Review Board to chair meetings of the Review Board.

(6) A member of the Review Board who is absent for three consecutive meetings may be removed by the Tax Assessor.

(7) The Tax Assessor may remove a Review Board member for dishonesty or corruption, a demonstrated failure to maintain impartiality, using the position to obtain special treatment for the member or others, egregious or hostile treatment of parties or counsel, accepting bribes, gifts, or personal favors related to the duties of a board member, conviction of a felony or crime involving moral turpitude, an inability to discharge the duties of a board member, or for any other reason deemed by the Tax Assessor.

(8) Any vacancy created by the removal or resignation of a member shall be filled by appointment by the Tax Assessor and the new member shall be appointed to serve the remainder of the former member's term.

(q) The Review Process.

(1) The Review Board shall meet as needed on a date and at a location determined by the Tax Assessor. The Review Board will hold hearings to review any complaints or allegations made against a motor vehicle title service, and/or its representative and runners, including complaints or allegations made by the Tax Assessor, and will determine whether a motor vehicle title service and/or its representative or runners (i) falsified motor vehicle title documents or presented falsified, fraudulent, or altered motor vehicle title documents to the Tax Assessor's office, or (2) engaged in or participated in any violation of policy, procedure, or statute, including violations of this Chapter.

(2) The Tax Assessor will provide notice to the motor vehicle title service of a hearing before the Review Board. The motor vehicle title service and/or its representatives or runners may appear in person before the Review Board to present testimony and offer evidence regarding any alleged violation. The motor vehicle title service and/or its representatives or runners may be represented by counsel at the motor vehicle title service's and/or its representatives or runners' own expense. A motor vehicle title service and/or its representatives or runners may utilize the services of an interpreter at the motor vehicle title service and/or its representatives or runners' own expense.

(3) Review Board decisions are administrative in nature. Courtroom rules of evidence shall not apply; however, the Review

Board chair may limit or exclude evidence that is immaterial, irrelevant, or repetitious.

(4) The standard of proof shall be by a preponderance of the evidence. Witnesses may be sworn.

(5) A majority vote of members present at a meeting of the Review Board shall determine the outcome of matters under consideration and will make recommendations to the Tax Assessor regarding any penalties that should be applied to a particular matter.

(6) A quorum of the Review Board may draft and recommend other procedural rules that are not inconsistent with this Chapter or other law.

(7) All decisions shall be subject to a final review by the Tax Assessor.

(r) Suspension or Revocation of License.

(1) In addition to the other grounds for license suspension or revocation contained in this Chapter, the Review Board may recommend license suspension or revocation for a motor vehicle title service and/or a motor vehicle title service runner.

(2) The Review Board may recommend to the Tax Assessor that a license be suspended or revoked on any of the following grounds:

(A) The Review Board determines the license holder has violated any provision of this Chapter or of Title 7, Subtitle A, Chapter 520, Subchapter C of the Texas Transportation Code.

(B) The Review Board determines that the license holder has been found in violation of the Texas Department of Motor Vehicles (DMV) rules, policies, or procedures, or a license issued by the DMV has been revoked or suspended and has not been reinstated.

(C) The Review Board determines that the license holder has been criminally or civilly sanctioned for the unauthorized practice of law by a government or quasi-government body with jurisdiction to do so.

(D) The Review Board determines that a license was obtained by submitting false or misleading information.

(E) The Review Board determines that a motor vehicle title service has failed to maintain its records as required by the Texas Transportation Code or this Chapter, or a motor vehicle title service has refused to permit the Tax Assessor to conduct an inspection of the records of the motor vehicle title service in accordance with Texas Transportation Code §520.058 and/or this Chapter.

(F) The Review Board determines that the license holder has been convicted of a felony, or any crime of moral turpitude or deceptive business practice not previously disclosed in the license holder's application.

(G) The Review Board determines that the license holder has outstanding or delinquent Class C misdemeanor fines open warrants or other taxes, fines, or fees owed to any Texas county that are not paid or otherwise resolved within 30 days from the date the Tax Assessor provides the applicant with written notice of the outstanding amounts due..

(H) The Review Board determines that a license holder has submitted more than one motor vehicle title transaction to the Tax Assessor within a two-year period which contains false, misleading, or erroneous information.

(J) The Review Board determines that a motor vehicle title service runner presented a transaction to the Tax Assessor's office that was not authorized by a licensed motor vehicle title service.

(K) The Review Board determines that a motor vehicle motor vehicle title service runner altered or forged the original paperwork of a motor vehicle title service.

(L) The Review Board determines that a motor vehicle title service utilized the services of a runner who is not employed by the motor vehicle title service or whose license was suspended or revoked.

(M) The Review Board determines that the license holder has attempted to bribe a an employee of the Harris County Tax Office.

(N) The Review Board determines that a license holder failed to appear at a Review Board meeting to answer complaints against the license holder.

(O) The Review Board determines a license holder violated the Harris County Building Regulations, specifically including disruption of county operations or violation of building security. Persons who violate Harris County Building Regulations are subject to removal from County facilities.

(P) The Review Board determines that a license holder has been involved in the issuance of fraudulent liability insurance.

(Q) The Review Board determines that a license holder has continued to engage in activities or conduct business requiring a license during the time the license was suspended.

(2) The Review Board may recommend that no action be taken against a license holder, that a license holder be issued a written warning from the Tax Assessor, that the license holder's license be suspended in a range from no less than 30 days or no more than 180 days (plus a 90 day extension), or that the license holder's license be revoked. In deciding what action to take, the Review Board may consider the nature of the violation, the number of violations committed, any previous discipline imposed, and any other relevant factors.

(3) The Tax Assessor shall notify a license holder of a decision by the Review Board by email and by certified mail, or another method that verifies delivery, to the address of the license holder's principal place of business as shown by the records of the Tax Assessor.

(4) All decisions of the Review Board are subject to final review by the Tax Assessor.

(s) Reinstatement of Licenses and Reconsideration of Adverse Actions.

(1) The Review Board will examine all license suspensions before the end of the suspension period. The Review Board will make a recommendation to the Tax Assessor as to whether the person's license should be reinstated or the suspension continued for an additional period of time not to exceed 90 days. The Tax Assessor shall review the Review Board's recommendation and issue a final decision.

(2) A person whose license is revoked may not apply for a new license.

(3) A person who receives notice of an adverse action taken on the person's license may submit a written request for reconsideration

by the Tax Assessor and submit evidence in the form of documents and/or affidavits to demonstrate the person's compliance with all requirements for the issuance, retention, or reinstatement of the person's license. The request for review must be presented to the Tax Assessor within 15 calendar days from the date of mailing of the notice of the action taken on the person's license. The Tax Assessor may increase the time to present a request for review upon written request and for good cause, as determined in the sole discretion of the Tax Assessor. Upon receipt of a timely request for review, the adverse action shall be stayed until a final decision is made on the license. The Tax Assessor shall render a final decision on the request for reconsideration within 30 calendar days of receipt of the request for review. A delay in rendering a final decision does not set aside, overrule, or withdraw the adverse action, which remains stayed until a final decision is rendered. If, when rendering a decision, the Tax Assessor does not find in favor of the person requesting the reconsideration, the adverse action will be reinstated.

(t) Exemptions. The following persons and their agents are exempt from the licensing and other requirements described in this administrative code:

(1) A franchised motor vehicle dealer or independent motor vehicle dealer who holds a general distinguishing number issued by the department under Texas Transportation Code Chapter 503;

(2) A vehicle lessor holding a license issued by the Motor Vehicle Board under Chapter 2301, Texas Occupations Code, or a trust or other entity that is specifically not required to obtain a lessor license under § 2301.254(a), Texas Occupations Code; and

(3) A vehicle lease facilitator holding a license issued by the Motor Vehicle Board under Chapter 2301, Texas Occupations Code

(u) Database. The Tax Assessor shall maintain a publicly accessible database containing information about each licensed motor vehicle title service and each licensed motor vehicle title service runner.

(v) Policies and Procedures. The Tax Assessor may adopt other policies and procedures that are not inconsistent with this Chapter or other law and to the extent authorized by law.

(w) Amendment. The Tax Assessor reserves the right to amend this Chapter in the future.

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 March 2, 2026.

TRD-202601063

Annette Ramirez

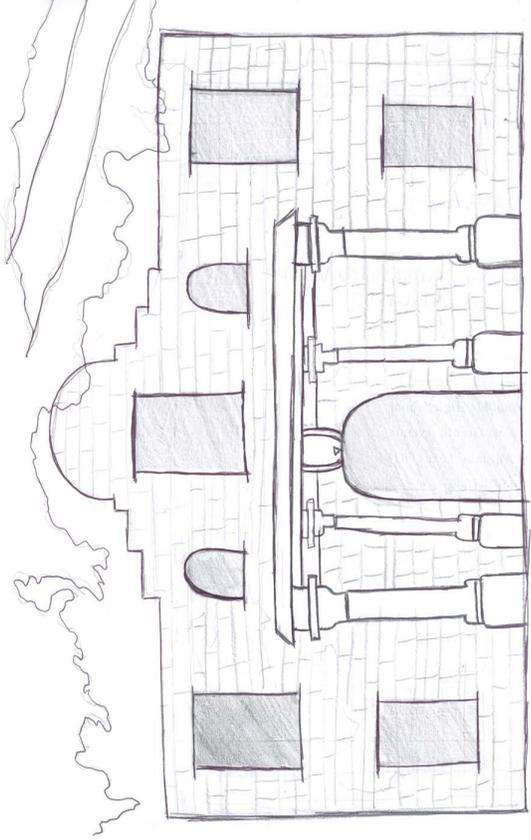
Harris County Tax Assessor-Collector & Voter Registrar

Harris County Tax Assessor-Collector

Earliest possible date of adoption: April 19, 2026

For further information, please call: (713) 274-8005





WITHDRAWN RULES

Withdrawn Rules include proposed rules and emergency rules. A state agency may specify that a rule is withdrawn immediately or on a later date after filing the notice with the Texas Register. A proposed rule is withdrawn six months after the date of publication of the proposed rule in the Texas Register if a state agency has failed by that time to adopt, adopt as amended, or withdraw the proposed rule. Adopted rules may not be withdrawn. (Government Code, §2001.027)

TITLE 19. EDUCATION

PART 1. TEXAS HIGHER EDUCATION COORDINATING BOARD

CHAPTER 4. RULES APPLYING TO ALL PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN TEXAS

SUBCHAPTER C. TEXAS SUCCESS INITIATIVE

19 TAC §4.52

The Texas Higher Education Coordinating Board withdraws proposed amendments to §4.52 which appeared in the January 23, 2026, issue of the *Texas Register* (51 TexReg 364).

Filed with the Office of the Secretary of State on March 3, 2026.

TRD-202601088

Douglas Brock

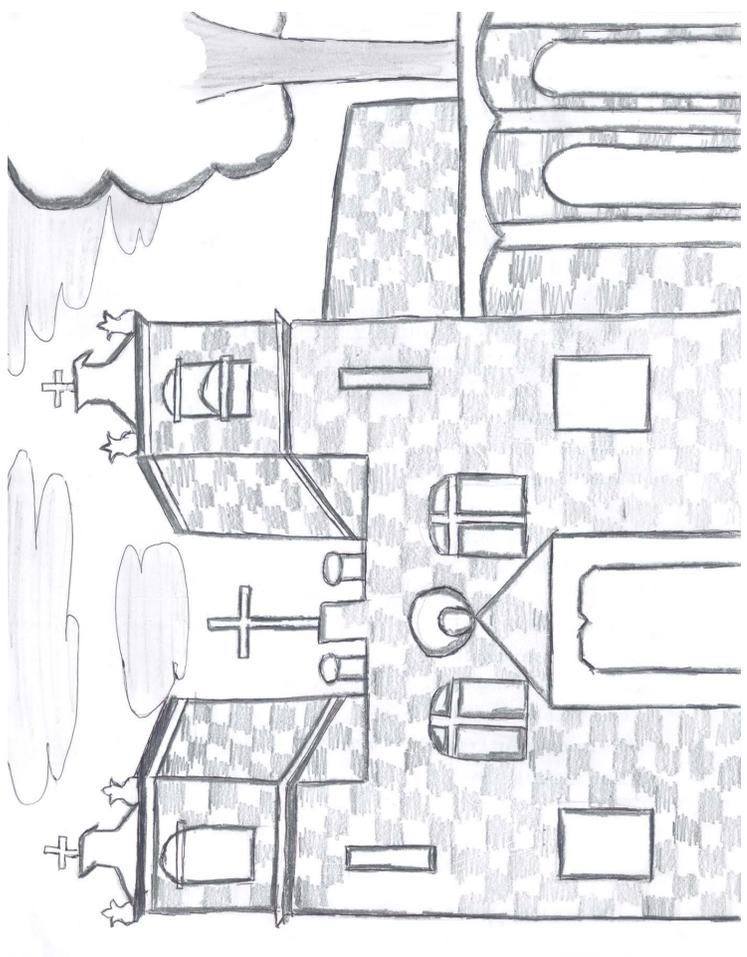
General Counsel

Texas Higher Education Coordinating Board

Effective date: March 3, 2026

For further information, please call: (512) 427-6299





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 7. BANKING AND SECURITIES

PART 7. STATE SECURITIES BOARD

CHAPTER 115. SECURITIES DEALERS AND AGENTS

7 TAC §115.18

The Texas State Securities Board adopts an amendment to §115.18, Special Provisions Relating to Military Applicants, without changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7469). The amended rule will not be republished.

The amendment implements House Bill 5629 and Senate Bill 1818 (89th Legislature, Regular Session (2025)) which amend state law relating to occupational licensing and recognition of out-of-state occupational licenses for military service members, military veterans, and military spouses (collectively, "military applicants"). The changes further expedite and simplify the process for military applicants who seek occupational licenses in Texas.

Several changes are made to §115.18 to align with state law requirements. The section is amended to remove certain refund and waiver conditions imposed on military applicants. The time limits for Agency staff to issue registrations or recognitions for military applicants are reduced. The section's provisions relating to recognition of out-of-state licenses are amended to change the documentation requirements and extend the duration of recognition periods for military service members and spouses. A publishing error is corrected, and other changes are made for clarity and consistency.

Subsection (a) is amended to change the definitions for "current registration" and "good standing" to align with amended Texas Occupations Code §55.0042.

Subsection (b)(2) is amended to require Registration staff to register military applicants who have requested expedited review to be registered within five business days of their request for expedited review.

Previously, military applicants who were new to the industry (i.e., those who have not been previously registered in another state) were not eligible for refunds or waivers of initial registration fees or fees for the Texas securities law examination. Subsection (c), which concerns waivers and refunds of fees, is amended to remove those qualifying conditions set forth in (c)(1)(A) and (B). This change slightly increases the number of military applicants who are eligible for and would benefit from the waivers and refund provisions in this section.

The caption for subsection (h) is amended to re-insert the missing word "of" after the word "Recognition" that was recently re-

moved from the official rule text due to a publishing error. Paragraph (1) of subsection (h) is amended to pluralize the word "procedure" for consistency and clarity.

Paragraph (2) of subsection (h) is amended to add language to extend the duration of the recognition period of a military spouse (which is for as long as the military spouse is located in Texas), and to state the duration of the recognition period of a former military spouse (which is for as long as the former military spouse is located in Texas but only until the third anniversary of the recognition date). The three-year limit on the duration of the recognition period for military service members and spouses residing in Texas in the previous rule is removed. This change extends the duration of the "free" recognition period for eligible military applicants who are recognized under this subsection, which consequently results in the waiver or refund of the applicants' annual renewal fees owed during the duration of this recognition period.

Paragraph (4) of subsection (h) concerning Option 2, is amended to align with amended Occupations Code §55.0041, which removed certain requirements for recognition, including a requirement for Registration staff to verify out-of-state licensure good standing, and replaced them with different requirements, including a new requirement for the applicant to submit a notarized affidavit as to licensure good standing status. As a result of this change to Occupations Code §55.0041, the applicant may incur a small economic cost to obtain the required notarization.

Paragraph (4)(C)(ii) of subsection (h) is amended to reduce the number of days that action must be taken on a request for recognition from 30 days to 10 business days.

Paragraph (4)(D) of subsection (h) is amended to make conforming amendments to the renewal of the recognition status.

Finally, new paragraph (4)(E) of subsection (h) is added for clarity and consistency with subsection (b), which relates to expedited review of applications. The new paragraph clarifies that individuals shall be recognized despite having pending or deficient items and would address how deficiencies are to be treated and resolved.

The rule is consistent with and conforms to the applicable military occupational licensing requirements under state law.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the authority of the Texas Government Code, §4002.151, as adopted by HB 4171, 86th Legislature, 2019 Regular Session, effective January 1, 2022. Section 4002.151 provides the Board with the authority to adopt rules as necessary to implement the provisions of the Texas Securities Act, including rules governing registration statements, applications, notices, and reports; defining terms; classifying securities, persons, and matters within its jurisdiction; and prescribing

different requirements for different classes. The amendment is also adopted under Chapter 55 of the Texas Occupations Code, as amended by HB 5629, which requires state agencies that issue licenses to adopt rules for the recognition of out-of-state licenses for military applicants, and as amended by SB 1818, which requires state agencies to promptly issue recognitions and licenses to military applicants.

The adoption affects the following sections of the Texas Securities Act, Texas Government Code Chapter 4004, Subchapters B through F, and §§4006.001, 4006.057, and 4007.105.

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 March 6, 2026.

TRD-202601113

Cristi Ramón Ochoa

Deputy Securities Commissioner

State Securities Board

Effective date: March 26, 2026

Proposal publication date: November 21, 2025

For further information, please call: (512) 305-8303



CHAPTER 116. INVESTMENT ADVISERS AND INVESTMENT ADVISER REPRESENTATIVES

7 TAC §116.18

The Texas State Securities Board adopts an amendment to §116.18, Special Provisions Relating to Military Applicants, without changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7472). The amended rule will not be republished.

The amendment implements House Bill 5629 and Senate Bill 1818 (89th Legislature, Regular Session (2025)) which amend state law relating to occupational licensing and recognition of out-of-state occupational licenses for military service members, military veterans, and military spouses (collectively, "military applicants"). The changes further expedite and simplify the process for military applicants who seek occupational licenses in Texas.

Several changes are made to §116.18 to align with state law requirements. The section is amended to remove certain refund and waiver conditions imposed on military applicants. The time limits for Agency staff to issue registrations or recognitions for military applicants are reduced. The section's provisions relating to recognition of out-of-state licenses are amended to change the documentation requirements and extend the duration of recognition periods for military service members and spouses. Other changes are made for clarity and consistency.

Subsection (a) is amended to change the definitions for "current registration" and "good standing" to align with amended Texas Occupations Code §55.0042.

Subsection (b)(2) is amended to require Registration staff to register military applicants who have requested expedited review to be registered within five business days of their request for expedited review.

Previously, military applicants who were new to the industry (i.e., those who have not been previously registered in another state) were not eligible for refunds or waivers of initial registration fees or fees for the Texas securities law examination. Subsection (c), which concerns waivers and refunds of fees, is amended to remove those qualifying conditions set forth in (c)(1)(A) and (B). This change slightly increases the number of military applicants who are eligible for and would benefit from the waivers and refund provisions in this section.

Paragraph (1) of subsection (h) is amended to pluralize the word "procedure" for consistency and clarity.

Paragraph (2) of subsection (h) is amended to add language to extend the duration of the recognition period of a military spouse (which is for as long as the military spouse is located in Texas), and to state the duration of the recognition period of a former military spouse (which is for as long as the former military spouse is located in Texas but only until the third anniversary of the recognition date). The three-year limit on the duration of the recognition period for military service members and spouses residing in Texas in the previous rule is removed. This change extends the duration of the "free" recognition period for eligible military applicants who are recognized under this subsection, which consequently results in the waiver or refund of the applicants' annual renewal fees owed during the duration of this recognition period.

Paragraph (4) of subsection (h) concerning Option 2, is amended to align with amended Occupations Code §55.0041, which removed certain requirements for recognition, including a requirement for Registration staff to verify out-of-state licensure good standing, and replaced them with different requirements, including a new requirement for the applicant to submit a notarized affidavit as to licensure good standing status. As a result of this change to Occupations Code §55.0041, the applicant may incur a small economic cost to obtain the required notarization.

Paragraph (4)(C)(ii) of subsection (h) is amended to reduce the number of days that action must be taken on a request for recognition from 30 days to 10 business days.

Paragraph (4)(D) of subsection (h) is amended to make conforming amendments to the renewal of the recognition status.

Finally, new paragraph (4)(E) of subsection (h) is added for clarity and consistency with subsection (b), which relates to expedited review of applications. The new paragraph clarifies that individuals shall be recognized despite having pending or deficient items and would address how deficiencies are to be treated and resolved.

The rule is consistent with and conforms to the applicable military occupational licensing requirements under state law.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the authority of the Texas Government Code, §4002.151, as adopted by HB 4171, 86th Legislature, 2019 Regular Session, effective January 1, 2022. Section 4002.151 provides the Board with the authority to adopt rules as necessary to implement the provisions of the Texas Securities Act, including rules governing registration statements, applications, notices, and reports; defining terms; classifying securities, persons, and matters within its jurisdiction; and prescribing different requirements for different classes. The amendment is also adopted under Chapter 55 of the Texas Occupations Code, as amended by HB 5629, which requires state agencies that issue licenses to adopt rules for the recognition of out-of-state

licenses for military applicants, and as amended by SB 1818, which requires state agencies to promptly issue recognitions and licenses to military applicants.

The adoption affects the following sections of the Texas Securities Act, Texas Government Code Chapter 4004, Subchapters B through F, and §§4006.001, 4006.057, and 4007.105.

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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TRD-202601114

Cristi Ramón Ochoa
Deputy Securities Commissioner
State Securities Board

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For further information, please call: (512) 305-8303



CHAPTER 133. FORMS

7 TAC §133.19, §133.23

The Texas State Securities Board adopts the repeal of two rules, concerning forms adopted by reference. Specifically, the State Securities Board adopts the repeal of §133.19, a form concerning Waiver or Refund Request by a Military Applicant; and §133.23, a form concerning Request for Recognition of Out-Of-State License or Registration Pursuant to Occupations Code §55.0041, without changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7475). The repealed rules will not be republished.

The repealed forms have been replaced with new forms being concurrently adopted to correspond with amendments to §115.18 and §116.18, which have been concurrently adopted to implement House Bill 5629 and Senate Bill 1818 (89th Legislature, Regular Session (2025)) which amended state law relating to occupational licensing and recognition of out-of-state occupational licenses for military service members, military veterans, and military spouses (collectively, "military applicants"). The changes further expedite and simplified the process for military applicants who seek occupational licenses in Texas.

The two existing forms have been eliminated so they can be replaced with two new forms that comply with statutory requirements. Concurrent with this adopted repeal is the adoption of new forms §133.19 and §133.23.

No comments were received regarding adoption of the repeals.

The repeals are adopted under the authority of the Texas Government Code, §4002.151, as adopted by HB 4171, 86th Legislature, 2019 Regular Session, effective January 1, 2022. Section 4002.151 provides the Board with the authority to adopt rules as necessary to implement the provisions of the Texas Securities Act, including rules governing registration statements, applications, notices, and reports; defining terms; classifying securities, persons, and matters within its jurisdiction; and prescribing different requirements for different classes. The repeals are also adopted under Chapter 55 of the Texas Occupations Code, as amended by HB 5629, which requires state agencies that issue licenses to adopt rules for the recognition of out-of-state licenses for military applicants, and as amended by SB 1818,

which requires state agencies to promptly issue recognitions and licenses to military applicants.

The repeals affect the following sections of the Texas Securities Act, Texas Government Code Chapter 4004, Subchapters B through F, and §§4006.001, 4006.057, and 4007.105.

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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Cristi Ramón Ochoa
Deputy Securities Commissioner
State Securities Board

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For further information, please call: (512) 305-8303



7 TAC §133.19, §133.23

The Texas State Securities Board adopts two new rules, concerning forms adopted by reference, without changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7476). Specifically, the Texas State Securities Board adopts new §133.19, which adopts by reference a form concerning Waiver or Refund Request by a Military Applicant; and new §133.23, which adopts by reference a form concerning Request for Recognition of Out-Of-State License or Registration Pursuant to Occupations Code §55.0041. The new rules will not be republished.

The new sections adopt by reference forms that reflect amendments to §115.18 and §116.18, which have been concurrently adopted to implement House Bill 5629 and Senate Bill 1818 (89th Legislature, Regular Session (2025)) which amended state law relating to occupational licensing and recognition of out-of-state occupational licenses for military service members, military veterans, and military spouses (collectively, "military applicants"). The changes further expedite and simplify the process for military applicants who seek occupational licenses in Texas.

New Form 133.19 performs the same function as the existing form, but certain requirements for waiver or refund eligibility are removed to implement the requirements of Occupations Code §55.009 as amended by HB 5629.

New Form 133.23 performs the same function as the existing form but requires the applicant to provide a notarized affidavit as to the applicant's good standing status in another jurisdiction as well as to require military orders, in lieu of providing proof of Texas residency and a military identification card, and, as applicable, a marriage license.

Eligible military applicants can complete the forms adopted by reference to either obtain a waiver or refund or to practice securities business in Texas without being registered. Concurrent with this adoption is the repeal of existing forms §133.19 and §133.23.

No comments were received regarding adoption of the new rules.

The new rules are adopted under the authority of the Texas Government Code, §4002.151, as adopted by HB 4171, 86th Legis-

lature, 2019 Regular Session, effective January 1, 2022. Section 4002.151 provides the Board with the authority to adopt rules as necessary to implement the provisions of the Texas Securities Act, including rules governing registration statements, applications, notices, and reports; defining terms; classifying securities, persons, and matters within its jurisdiction; and prescribing different requirements for different classes. The new rules are also adopted under Chapter 55 of the Texas Occupations Code, as amended by HB 5629, which requires state agencies that issue licenses to adopt rules for the recognition of out-of-state licenses for military applicants, and as amended by SB 1818, which requires state agencies to promptly issue recognitions and licenses to military applicants.

The new rules affect the following sections of the Texas Securities Act, Texas Government Code Chapter 4004, Subchapters B through F, and §§4006.001, 4006.057, and 4007.105.

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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TRD-202601115

Cristi Ramón Ochoa

Deputy Securities Commissioner

State Securities Board

Effective date: March 26, 2026

Proposal publication date: November 21, 2025

For further information, please call: (512) 305-8303



TITLE 10. COMMUNITY DEVELOPMENT

PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 6. COMMUNITY AFFAIRS PROGRAMS

SUBCHAPTER B. COMMUNITY SERVICES BLOCK GRANT

10 TAC §6.204

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §6.204 Use of Funds, which applies to the Community Services Block Grant Program (CSBG) with changes to the proposed text as published in the December 26, 2025 issue of the *Texas Register* (50 TexReg 8450). The rule will be republished. The purpose of the amendment is to specify how households receiving benefits through CSBG will have those benefits determined based on the household members' legal status. 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries outlines the requirement that all Single Family, Community Affairs and Homelessness program's subrecipients of the Department must confirm legal alien status for program participants in order to receive assistance. This is to ensure that an alien who is not a qualified alien does not receive a federal public benefit.

While §1.410 provides for the requirement to perform a review for alien status for program participants, it does not specify how each distinct Department program will calculate benefits based

on those determinations, because each program is different enough in its eligible activities that such applicability needs to be tailored to the specific programs. The changes in this rule provide that necessary specificity for the CSBG Program.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law.

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 amendment does not create or eliminate a government program but relates to changes to an existing activity: how benefits will be determined in a specific Department program as it relates to alien status and the implementation of 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries.

2. The amendment may require additional work that may create new employee positions, but those costs are federal eligible reimbursable expenses under the applicable program grants. The amendment does not generate a reduction in work that would eliminate any employee positions.

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

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

5. The amendment is not creating a new regulation, but clarifying an existing regulation.

6. The amendment does expand an existing regulation to provide additional requirements, however the expanded regulations are required to comply with federal law and to the extent applicable to state programs, brings state programs into consistency with federal law.

7. The amendment increases the number of individuals subject to the rule's applicability.

8. The amendment 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 amendment and determined that the amendment will not create an economic effect on small or micro-businesses or rural communities other than to the extent that such entities receive federal funds to operate Department programs subject to the rule. There may be several hundred entities in the state at any given time receiving funds for such programs. The added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal funds the entity is receiving for the applicable

programs. No entities will bear any unreimbursable expenses to comply.

c. **TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.** The amendment 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 amendment as to its possible effects on local economies and has determined that for the first five years the amendment 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 amendment is in effect, the public benefit anticipated as a result of the changed section would be a rule that provides clarity in implementing

10 TAC §1.410 Determination of Alien Status for Program Beneficiaries. There may be limited economic costs to individuals required to comply with the amended section; a household that does not currently have access to documents that confirm their legal status may have to take steps to obtain copies of birth certificates, or other applicable documents and pay associated fees for those items.

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 amendment is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. The Department requested comments on the rule and also requested 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 was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. Comment was received from six commenters: 1) Texas Appleseed, 2) El Paso Center for Children, 3) Texas Representative Mary E. Gonzalez, 4) Texas Housers, 5) Texas Council on Family Violence, and 6) Texas Homeless Network.

Comment Requesting for Rule to be Withdrawn.

Multiple commenters requested that the rule be withdrawn.

Commenters (1), (3), (4) and (6) point out that the US Department of Housing and Urban Development (HUD) has indicated that further guidance will be released from both HUD and Department of Homeland Security (DHS) and believes it is appropriate for TDHCA to delay the adoption of this rulemaking until such expected federal HUD and DHS guidance is released.

Commenters (3), (4) and (6) note that the rules will undermine access to critical housing and homelessness services under the guise of immigration compliance and that application of these policies to the affected programs is unnecessary, burdensome and harmful to Texans in need. Commenter (4) observes that such policies would also negatively impact public health.

Commenter (1) notes that HUD had not yet issued an economic impact analysis of its guidance, and that in recent guidance the US Department of Health and Human Service (USHHS) did consider its redefining of a federal public benefit to be an economically significant regulatory action. Commenter (1) notes that they believe the amount estimated by USHHS (\$100 million nationally) is likely unrealistic and the cost would be higher. They question how TDHCA determined that there would be no economic impacts in the preambles to the rule. In their comment they describe several areas of potential costs including the costs to the households to obtain the required documentation, and the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule.

Commenters (1), (3), (4) and (6) are also concerned that the delays that will exist by having to obtain specific documentation will mean that households may be denied assistance, particularly with homeless assistance programs that are designed to address urgent and time-sensitive needs and in emergency rental assistance where a delay can result in an eviction. Commenter (4) expands on the issue of delays estimating that such verifications could take an average of 17 federal workdays.

Commenter (1) also notes that even when PRWORA was initially passed in 1996, it took several years to pass applicable rules and set up verification systems; state and local governments needed time to roll this out. They note that state and local governments should not be expected to produce verification systems that comply with regulations that do not yet exist. Commenters (3) and (4) note the administrative burden being placed on local governments, nonprofits and program operators that lack infrastructure and staffing to implement the processes.

Commenter (4) notes that according to the National Housing Law Project a benefit granting agency that improperly applies PRWORA's verification requirements could be subject to discrimination claims. They note that to their knowledge Texas is so far the only state to update rules ahead of additional guidance needed for implementation.

All of these reasons above support why commenters are requesting that the adoption of this rule be deferred until further federal guidance has been issued.

Staff Response: Staff does not recommend withdrawing or deferring the rule, as the federal guidance to date has provided sufficient guidance for the Department to proceed with this rule. While we do expect federal agencies may release further detail, we have already been directed through 2025 federal funding agreements and guidance to ensure the applicability of PRWORA. Should additional federal guidance be released that provides any greater specificity on how PRWORA should be applied to the programs, TDHCA will certainly become compliant with that guidance. The TDHCA rule changes are specific enough to reflect our adherence to the requirements of the federal funding agreements and to properly put program participants on notice, but still provide sufficient leeway for further guidance to be issued to our program participants should federal guidance be forthcoming. Further, per the HUD notice of November 26, 2025, states are not relieved from the requirements to ensure that all relevant programs are in compliance with PWRORA. HUD places the burden on TDHCA to ensure compliance with PWRORA, even before "new guidelines" are issued by HUD. No change is recommended to the rule in response to this comment.

As it relates to the economic impact, TDHCA has revised this preamble to provide greater specificity on this issue. It should be noted that Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law. Further, as it relates to the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule, the added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal or state funds the entity is receiving for the applicable programs. No entities will bear any non-reimbursable expenses to comply.

Comment on the Applicability of the Rule to Survivors of Domestic Violence, Sexual Assault, Stalking, and/or Dating Violence:

Commenters (4), (5) and (6) commented that the proposed immigration and/or citizenship status verification requirements should not apply to survivors of domestic violence, sexual assault, stalking, and/or dating violence, as such requirements would conflict with the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA). They request that in line with recent changes made to 10 TAC §1.410 in response to public comment, the final version of these proposed rules must explicitly exempt verification requirements for populations covered by VAWA or FVPSA to protect survivors of family violence in accordance with federal law.

Commenter (5) notes that both Federal statutes prohibit denial of assistance based on immigration and/or citizenship status and impose strong confidentiality protections to ensure survivors can safely access critical services. These commenters concluded that the rule needs to provide an explicit exemption for VAWA and FVPSA covered populations within TDHCA-funded programs. Without explicit clarification, subrecipients may interpret the rule as requiring immigration status verification for survivors of violence, which violates Federal laws.

Commenters (5) and (6) also indicates that the Family Violence Prevention and Services Act (FVPSA), the Victims of Crime Act (VOCA), and the Violence Against Women Act (VAWA) all require those in receipt of funds (ex. family violence centers) to protect personally identifiable information obtained while seeking services. Each of these federal laws prohibit grantees from disclosing a survivor's personal identifying information, unless an exception applies, which the information laid out in this proposed rule is not. Specifically, VAWA/FVPSA make clear that identifying information about victims cannot be shared without a properly issued release from the survivor or a court order. Commenter (5) notes that conditioning victims' access to services on documentation would also have a chilling effect on service provision, deter survivors from seeking help, and conflict with programmatic obligations of confidentiality and safety planning. Commenter states that federal law pertaining to victim-services statutes contain explicit non-discrimination protections that prohibit conditioning access to services. FVPSA requires that States and subgrantees "ensure that no person is denied services because of actual or perceived immigration status."

Commenters (5) and (6) also notes that the confidentiality provisions of VAWA and FVPSA prohibit covered programs from releasing personally identifying information without a signed and time limited release, court order, or statute requiring it and are

prohibited from conditioning services on the signing of a release. Guidance from the Office on Violence Against Women (OVW) on VAWA instructs programs that these provisions apply to all operations of an entity that receives funding through OVW, even if that funding covers only a small part of their operations. The proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, which could be seen as violating the confidentiality provisions under VAWA for any covered program; and under Texas law, Chapter 93 of the Texas Family Code establishes privilege between an advocate and a crime victim, which similarly prohibits disclosure of personal information with very limited exceptions, and applies to public and private nonprofits that provide family violence services. Commenter relays that the proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, in violation of state law and these programs could be at risk of losing state funding.

Staff Response: Consistent with the changes made in 10 TAC §1.410 TDHCA will specify in the amended rule that the rule will not apply to VAWA or FVPSA covered populations, unless federal guidance requires it.

Exception for Nonprofits.

Commenter (5) requests that exemptions for nonprofit providers should be made because survivors routinely seek supportive nonprofit services and their information should be protected.

Staff Response: The exemption for VAWA or FVPSA covered populations will be applicable to partially address this issue. Previously, interpretations regarding the verification process for PRWORA may have indicated that private nonprofit subrecipients- because they do not have direct access to the SAVE system used for verification - did not have to confirm qualified alien status at all even for federal programs covered by PRWORA. However, while PRWORA does not mandate a private nonprofit entity conduct verification, there is nothing in the statute that prohibits such an entity from conducting verification. Therefore, the rule does require that all recipients of the subject programs will be required to comply with PRWORA, and all Administrators must participate in verification within the contours of the statute.

Administrators that are nonprofit entities- including those already subject to, but not performing verifications, such as AYBR and Bootstrap - will have three options: 1) To have the Department provide the verification, directly or through a third-party contractor, which would require the Administrator to gather and transmit - but not verify - the appropriate client level information and documentation; 2) To have the Administrator voluntarily agree to participate in using the SAVE system, which is the option that creates the least delay in providing services to the clients (this option is reliant on the Department being able to revise its contract with the Department of Homeland Security); or 3) To allow the Administrator to procure a separate party to perform such verification services on their behalf. No changes are recommended to the rule in response to this comment. No change is recommended to the rule in response to this comment.

Request for Operational Guidance.

Commenter (2) requested that TDHCA provide detailed implementation guidance prior to enforcement, clearly describing what constitutes emergency situations, that requirements be aligned with federal ESG or HUD guidance. Commenter (2) requests additional clarification be made in the rule regarding the practi-

cal implementation and administrative requirements particularly for vulnerable households.

Commenter (2) asks that the amendment address Intake and eligibility workflows, including Coordinated Entry processes; Program participant file requirements and documentation standards; timeliness of assistance delivery; staff training and administrative capacity; data collection, privacy, and record retention obligations; what types of documents are acceptable; what documentation requirement will be applicable to victims of domestic trafficking or are former foster children who were never provided with copies of their birth certificates or other forms of identification; how mixed-status households should be handle; whether self-attestation will be allowed in limited or emergency circumstances; and how eligibility determinations should be documented for monitoring purposes.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide guidance as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. Federal guidance provides for what constitutes an emergency situation, but TDHCA will provide in materials, web posts, and training more granular guidance on this as well. TDHCA will also provide on its website and to subrecipients what types of documents are acceptable, what forms should be used for documenting the process has been followed, and how mixed-status households should be handled. Other than the exceptions that will be allowable for emergency assistance (federally excepted), and for populations excepted in the rule that are protected under VAWA or FVPSA, self-attestations will not be allowed. As for some of the other requested guidance, TDHCA will not guide - or limit - how any particular subrecipient decides to adjust their operations or processes to implement these requirements. For instance it is up to each subrecipient to decide how it will integrate this policy into intake and eligibility workflows and the coordinated entry process. No change is recommended to the rule in response to this comment.

Request for Phased Implementation.

Commenter (2) requests that a phased implementation period be provided after final adoption. They also requested additional funding to absorb the labor costs for additional administrative burden.

Staff Response: TDHCA is unable to phase the implementation of this rule. Upon its adoption, subrecipients will be required to implement and adhere to this rule. Current subrecipients may use their administrative funds under the awards they receive to cover the costs of implementing this rule, which are fully eligible costs. No change is recommended to the rule in response to this comment.

Concern for Barriers to Access.

Commenter (2) noted that they are concerned that the proposed changes could create barriers for individuals who are otherwise eligible for services but face challenges obtaining documentation due to homelessness, disability, trauma, or language barriers. They encourage TDHCA to include safeguards that ensure: Non-discriminatory intake practices and clear communication to participants about eligibility requirements.

Staff Response: All subrecipients have the ability to institute non-discriminatory intake practices, and provide clear communication to participants about eligibility requirements. No change is recommended to the rule in response to this comment.

Appeals.

Commenter (4) notes that the rule says appeals will be addressed through each program's rules, but they did not see that the rules address the need for an appeals process specific to legal status verification.

Staff Response: Staff will add to the rule a requirement that each subrecipient must offer an opportunity for a household to appeal a legal status determination consistent with the appeals policy they utilize for other household eligibility appeals processes.

Training and Technical Assistance.

Commenter (2) requested that TDHCA offer technical assistance and written FAQs for subrecipients, and that TDHCA clearly outline monitoring expectations related to §1.410 compliance.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide training and technical assistance, including monitoring expectations, as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. No change is recommended to the rule in response to this comment.

Conditional Assistance.

Commenter (2) requests that in light of delays that are experienced in seeking documentation from households, TDHCA allow conditional or temporary assistance while documentation is obtained.

Staff Response: Benefits under these rules are not permitted to be provided to persons without PRWORA eligibility, including temporary or conditional assistance. No change is recommended to the rule in response to this comment.

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

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

§6.204. Use of Funds and Requirements for Establishing Household Eligibility.

(a) CSBG funds are contractually obligated to Eligible Entities, and accessed through the Department's web-based Contract System. Prior to executing a Contract for CSBG funds, the Department will verify that neither the entity, nor any member of the Eligible Entity's Board is federally debarred or excluded. Unless modified by Contract, the annual allocation has a beginning date of January 1 and an end date of December 31, regardless of the Eligible Entity's fiscal year. Eligible Entities may use the funds for administrative support and/or for direct services such as: education, employment, housing, health care, nutrition, transportation, linkages with other service providers, youth programs, emergency services, i.e., utilities, rent, food, Shelter, clothing, etc.

(b) Eligible Entity shall determine Household income eligibility in compliance with §6.4 of this chapter (relating to Income Determination). The Household income eligibility level must be at or below 125% of the federal poverty level in effect at the time the customer makes an application for services.

(c) U.S. Citizen, U.S. National or Qualified Alien. Only U.S. Citizens, U.S. Nationals and Qualified Aliens are eligible to receive CSBG benefits. In accordance with §1.410(f) of this Part (relating to Determination of Alien Status for Program Beneficiaries), Eligible Entities must document U.S. Citizen, U.S. National, and Qualified Alien status for each household member using the Department approved form. Populations that are documented by the Administrator

as covered by the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act (FVPSA) are exempted from having verification under this rule performed, unless required to do so under federal guidance. Administrators must include in their operational processes a means by which a household may appeal a determination of their eligibility under this subsection. Qualified Alien status must also be verified and documented using SAVE. Household eligibility shall be determined as follows:

- (1) Count income for all Household members eighteen years of age and older, including Unqualified Aliens; and
- (2) Calculate Household size for determining eligibility or benefits to exclude all Unqualified Aliens.

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 March 6, 2026.

TRD-202601117

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Effective date: March 26, 2026

Proposal publication date: December 26, 2025

For further information, please call: (512) 475-3959



CHAPTER 7. HOMELESSNESS PROGRAMS

SUBCHAPTER B. HOMELESS HOUSING AND SERVICES PROGRAM (HHSP)

10 TAC §7.28

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §7.28 Program Participant Eligibility and Program Participant Files, which applies to the Homeless Housing and Services Program (HHSP) with changes to the text previously published in the December 26, 2025 issue of the *Texas Register* (50 TexReg 8451). The rule will be republished. The purpose of the amendment is to specify how households receiving benefits through HHSP will have those benefits determined based on the household members' legal status. 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries outlines the requirement that all Single Family, Community Affairs and Homelessness programs subrecipients of the Department must confirm legal alien status for program participants in order to receive assistance. This is to ensure that an alien who is not a qualified alien does not receive a federal public benefit.

While §1.410 provides for the requirement to perform a review for alien status for program participants, it does not specify how each distinct Department program will calculate benefits based on those determinations, because each program is different enough in its eligible activities that such applicability needs to be tailored to the specific programs. The changes in this action provide that necessary specificity for the HHSP Program.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which exempts amendments that are necessary to receive a source of federal funds or to comply with federal law.

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 amendment does not create or eliminate a government program but relates to changes to an existing activity: how benefits will be determined in a specific Department program as it relates to alien status and the implementation of 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries.
 2. The amendment may require additional work that may create new employee positions, but those costs are federal eligible reimbursable expenses under the applicable program grants. The amendment does not generate a reduction in work that would eliminate any employee positions.
 3. The amendment does not require additional future legislative appropriations.
 4. The amendment will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
 5. The amendment is not creating a new regulation, but clarifying an existing regulation.
 6. The amendment does expand an existing regulation to provide additional requirements, however the expanded regulations are required to comply with federal law and to the extent applicable to state programs, brings state programs into consistency with federal law.
 7. The amendment increases the number of individuals subject to the rule's applicability.
 8. The amendment 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 amendment and determined that the amendment will not create an economic effect on small or micro-businesses or rural communities other than to the extent that such entities receive federal funds to operate Department programs subject to the rule. There may be several hundred entities in the state at any given time receiving funds for such programs. The added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal funds the entity is receiving for the applicable programs. No entities will bear any unreimbursable expenses to comply.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amendment 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 amendment as to its possible effects on local economies and has determined that for the first five years the amendment 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 amendment is in effect, the public benefit anticipated as a result of the changed section would be a rule that provides clarity in implementing

10 TAC §1.410 Determination of Alien Status for Program Beneficiaries. There may be limited economic costs to individuals required to comply with the amended section; a household that does not currently have access to documents that confirm their legal status may have to take steps to obtain copies of birth certificates, or other applicable documents and pay associated fees for those items.

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 amendment is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. The Department requested comments on the rule and also requested 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 was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. Comment was received from six commenters: 1) Texas Appleseed, 2) El Paso Center for Children, 3) Texas Representative Mary E. Gonzalez, 4) Texas Housers, 5) Texas Council on Family Violence, and 6) Texas Homeless Network.

Comment Requesting for Rule to be Withdrawn.

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scribe several areas of potential costs including the costs to the households to obtain the required documentation, and the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule.

Commenters (1), (3), (4) and (6) are also concerned that the delays that will exist by having to obtain specific documentation will mean that households may be denied assistance, particularly with homeless assistance programs that are designed to address urgent and time-sensitive needs and in emergency rental assistance where a delay can result in an eviction. Commenter (4) expands on the issue of delays estimating that such verifications could take an average of 17 federal workdays.

Commenter (1) also notes that even when PRWORA was initially passed in 1996, it took several years to pass applicable rules and set up verification systems; state and local governments needed time to roll this out. They note that state and local governments should not be expected to produce verification systems that comply with regulations that do not yet exist. Commenters (3) and (4) note the administrative burden being placed on local governments, nonprofits and program operators that lack infrastructure and staffing to implement the processes.

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All of these reasons above support why commenters are requesting that the adoption of this rule be deferred until further federal guidance has been issued.

Staff Response: Staff does not recommend withdrawing or deferring the rule, as the federal guidance to date has provided sufficient guidance for the Department to proceed with this rule. While we do expect federal agencies may release further detail, we have already been directed through 2025 federal funding agreements and guidance to ensure the applicability of PRWORA. Should additional federal guidance be released that provides any greater specificity on how PRWORA should be applied to the programs, TDHCA will certainly become compliant with that guidance. The TDHCA rule changes are specific enough to reflect our adherence to the requirements of the federal funding agreements and to properly put program participants on notice, but still provide sufficient leeway for further guidance to be issued to our program participants should federal guidance be forthcoming. Further, per the HUD notice of November 26, 2025, states are not relieved from the requirements to ensure that all relevant programs are in compliance with PWRORA. HUD places the burden on TDHCA to ensure compliance with PWRORA, even before "new guidelines" are issued by HUD. No change is recommended to the rule in response to this comment.

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as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal or state funds the entity is receiving for the applicable programs. No entities will bear any non-reimbursable expenses to comply.

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Code establishes privilege between an advocate and a crime victim, which similarly prohibits disclosure of personal information with very limited exceptions, and applies to public and private nonprofits that provide family violence services. Commenter relays that the proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, in violation of state law and these programs could be at risk of losing state funding.

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Commenter (2) asks that the amendment address Intake and eligibility workflows, including Coordinated Entry processes; Program participant file requirements and documentation standards; timeliness of assistance delivery; staff training and administrative capacity; data collection, privacy, and record retention obligations; what types of documents are acceptable; what documentation requirement will be applicable to victims

of domestic trafficking or are former foster children who were never provided with copies of their birth certificates or other forms of identification; how mixed-status households should be handled; whether self-attestation will be allowed in limited or emergency circumstances; and how eligibility determinations should be documented for monitoring purposes.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide guidance as the rule is implemented, and thereafter, to facilitate subrecipients' ability to adhere to the rule. Federal guidance provides for what constitutes an emergency situation, but TDHCA will provide in materials, web posts, and training more granular guidance on this as well. TDHCA will also provide on its website and to subrecipients what types of documents are acceptable, what forms should be used for documenting the process that has been followed, and how mixed-status households should be handled. Other than the exceptions that will be allowable for emergency assistance (federally excepted), and for populations excepted in the rule that are protected under VAWA or FVPSA, self-attestations will not be allowed. As for some of the other requested guidance, TDHCA will not guide - or limit - how any particular subrecipient decides to adjust their operations or processes to implement these requirements. For instance it is up to each subrecipient to decide how it will integrate this policy into intake and eligibility workflows and the coordinated entry process. No change is recommended to the rule in response to this comment.

Request for Phased Implementation.

Commenter (2) requests that a phased implementation period be provided after final adoption. They also requested additional funding to absorb the labor costs for additional administrative burden.

Staff Response: TDHCA is unable to phase the implementation of this rule. Upon its adoption, subrecipients will be required to implement and adhere to this rule. Current subrecipients may use their administrative funds under the awards they receive to cover the costs of implementing this rule, which are fully eligible costs. No change is recommended to the rule in response to this comment.

Concern for Barriers to Access.

Commenter (2) noted that they are concerned that the proposed changes could create barriers for individuals who are otherwise eligible for services but face challenges obtaining documentation due to homelessness, disability, trauma, or language barriers. They encourage TDHCA to include safeguards that ensure: Non-discriminatory intake practices and clear communication to participants about eligibility requirements.

Staff Response: All subrecipients have the ability to institute non-discriminatory intake practices, and provide clear communication to participants about eligibility requirements. No change is recommended to the rule in response to this comment.

Appeals.

Commenter (4) notes that the rule says appeals will be addressed through each program's rules, but they did not see that the rules address the need for an appeals process specific to legal status verification.

Staff Response: Staff will add to the rule a requirement that each subrecipient must offer an opportunity for a household to appeal a legal status determination consistent with the appeals policy they utilize for other household eligibility appeals processes.

Training and Technical Assistance.

Commenter (2) requested that TDHCA offer technical assistance and written FAQs for subrecipients, and that TDHCA clearly outline monitoring expectations related to §1.410 compliance.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide training and technical assistance, including monitoring expectations, as the rule is implemented, and thereafter, to facilitate subrecipients' ability to adhere to the rule. No change is recommended to the rule in response to this comment.

Conditional Assistance.

Commenter (2) requests that in light of delays that are experienced in seeking documentation from households, TDHCA allow conditional or temporary assistance while documentation is obtained.

Staff Response: Benefits under these rules are not permitted to be provided to persons without PRWORA eligibility, including temporary or conditional assistance. No change is recommended to the rule in response to this comment.

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

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

§7.28. *Program Participant Eligibility and Program Participant Files.*

(a) A Program Participant must satisfy the eligibility requirements by meeting the appropriate definition of Homeless or At-risk of Homelessness in this Chapter, relating to Homelessness Programs, including but not limited to applicable income requirements.

(b) A Program Participant who is Homeless qualifies for emergency shelter, Transitional Living Activities, case management, essential services, and homeless assistance.

(c) A Program Participant who is At-risk of Homelessness qualifies for case management, essential services, and homeless prevention.

(d) The Subrecipient shall establish income limits that do not exceed the moderate income level pursuant to Tex. Gov't Code §2306.152 in its written policies and procedures, and may adopt the income limit calculation method and procedures in HUD Handbook 4350 to satisfy this requirement.

(e) Recertification. Recertification is required for Program Participants receiving homelessness prevention and homelessness assistance within 12 months of the assistance start date. Subrecipient's written policies may require more frequent recertification. At a minimum, recertification includes that Program Participants receiving homelessness prevention or homelessness assistance:

(1) meet the income eligibility requirements as established by the Subrecipient, if such limits are implemented in the Subrecipient's policies and procedures and required to be reviewed at Recertification; and

(2) lack sufficient resources and support networks necessary to retain housing without assistance.

(f) Break in service. The Subrecipient must document eligibility before providing services after a break in service. A break in service occurs when a previously assisted household has exited the program and is no longer receiving services through Homeless Programs.

Upon reentry into HHSP, the Household is required to complete a new intake application and provide updated source documentation, if applicable. The Subrecipient would not need to document further eligibility for HHSP if the Program Participant is currently receiving assistance through ESG.

(g) Program participant files. Subrecipient or their Subgrantees shall maintain Program Participant files, for non-emergency activities providing direct subsidy to or on behalf of a Program Participant that contain the following:

(1) an Intake Application, including the signature or legally identifying mark of all adult Household members certifying the validity of information provided, an area to identify the staff person completing the intake application, and the language as required by Tex. Gov't Code §434.212;

(2) certification from the Applicant that they meet the definition of Homeless or At-risk of Homelessness. The certification must include the Program Participant's signature or legally identifying mark;

(3) documentation of income eligibility, if applicable, which may include a DIS if documentation is unobtainable;

(4) documentation of annual recertification, as applicable, including income eligibility determination and verification that the Program Participant lacks sufficient resources and supports networks necessary to retain housing without assistance;

(5) documentation of determination of ineligibility for assistance when assistance is denied. Documentation must include the reason for the determination of ineligibility;

(6) copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by Program Participants;

(7) documentation of the monthly allowance for utilities used to determine compliance with the rent restriction;

(8) documentation that the Dwelling Unit for Program Participants receiving rental assistance complies with the Housing Standards in this Chapter, relating to Homelessness Programs; and

(9) documentation of U.S. Citizen, U.S. National, or Qualified Alien status for each household member receiving direct assistance, including:

(A) verification of eligible immigration or citizenship status consistent with §1.410 of this title;

(B) any determinations of ineligibility or mixed Household status; and

(C) records of proration calculations applied under subsection (h)(2) of this section, if applicable.

(h) Implementation of HHSP activities involving direct assistance to Program Participants is subject to §1.410 of this title, relating to Determination of Alien Status for Program Beneficiaries.

(1) Each Household member receiving direct assistance under Homeless Prevention or Homeless Assistance must be verified for eligibility in accordance with §1.410 of this title (relating to Determination of Alien Status for Program Beneficiaries) prior to receiving assistance.

(2) Direct assistance may be prorated utilizing a fraction based on Household eligibility, calculated by multiplying the full benefit amount by a fraction in which the numerator is the number of eli-

gible Household members, and the denominator is the total number of Household members.

(3) Activities that do not provide direct housing or financial assistance, such as Emergency Shelter, case management, and Street Outreach, and in-kind disaster relief are not subject to paragraphs (1) and (2) of this subsection.

(4) Populations that are documented by the Administrator as covered by the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act (FVPSA) are excepted from having verification under this rule performed, unless required to do so under federal guidance.

(5) Administrators must include in their operational processes a means by which a household may appeal a determination of their eligibility 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 March 6, 2026.

TRD-202601118

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Effective date: March 26, 2026

Proposal publication date: December 26, 2025

For further information, please call: (512) 475-3959



SUBCHAPTER C. EMERGENCY SOLUTIONS GRANTS (ESG)

10 TAC §7.44

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §7.44 Program Participant Eligibility and Program Participant Files, which applies to the Emergency Solutions Grant Program (ESG) with changes to the text previously published in the December 26, 2025 issue of the *Texas Register* (50 TexReg 8453). The rule will be republished. The purpose of the amendment is to specify how households receiving benefits through ESG will have those benefits determined based on the household members' legal status. 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries outlines the requirement that all Single Family, Community Affairs and Homelessness programs subrecipients of the Department must confirm legal alien status for program participants in order to receive assistance. This is to ensure that an alien who is not a qualified alien does not receive a federal public benefit.

While §1.410 provides for the requirement to perform a review for alien status for program participants, it does not specify how each distinct Department program will calculate benefits based on those determinations, because each program is different enough in its eligible activities that such applicability needs to be tailored to the specific programs. The changes in this action provide that necessary specificity for the ESG Program.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law.

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 has determined that, for the first five years the amendment would be in effect:

1. The amendment does not create or eliminate a government program but relates to changes to an existing activity: how benefits will be determined in a specific Department program as it relates to alien status and the implementation of 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries.
2. The amendment may require additional work that may create new employee positions, but those costs are federal eligibly reimbursable expenses under the applicable program grants. The amendment does not generate a reduction in work that would eliminate any employee positions.
3. The amendment does not require additional future legislative appropriations.
4. The amendment will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amendment is not creating a new regulation, but clarifying an existing regulation.
6. The amendment does expand an existing regulation to provide additional requirements, however the expanded regulations are required to comply with federal law and to the extent applicable to state programs, brings state programs into consistency with federal law.
7. The amendment increases the number of individuals subject to the rule's applicability.
8. The amendment 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 amendment and determined that the amendment will not create an economic effect on small or micro-businesses or rural communities other than to the extent that such entities receive federal funds to operate Department programs subject to the rule. There may be several hundred entities in the state at any given time receiving funds for such programs. The added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal funds the entity is receiving for the applicable programs. No entities will bear any unreimbursable expenses to comply.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amendment 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 amendment as to its possible effects on local economies and has determined that for the first five years the amendment 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 amendment is in effect, the public benefit anticipated as a result of the changed section would be a rule that provides clarity in implementing

10 TAC §1.410 Determination of Alien Status for Program Beneficiaries. There may be limited economic costs to individuals required to comply with the amended section; a household that does not currently have access to documents that confirm their legal status may have to take steps to obtain copies of birth certificates, or other applicable documents and pay associated fees for those items.

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 amendment is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. The Department requested comments on the rule and also requested 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 was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. Comment was received from six commenters: 1) Texas Appleseed, 2) El Paso Center for Children, 3) Texas Representative Mary E. Gonzalez, 4) Texas Housers, 5) Texas Council on Family Violence, and 6) Texas Homeless Network.

Comment Requesting for Rule to be Withdrawn.

Multiple commenters requested that the rule be withdrawn.

Commenters (1), (3), (4) and (6) point out that the US Department of Housing and Urban Development (HUD) has indicated that further guidance will be released from both HUD and Department of Homeland Security (DHS) and believes it is appropriate for TDHCA to delay the adoption of this rulemaking until such expected federal HUD and DHS guidance is released.

Commenters (3), (4) and (6) note that the rules will undermine access to critical housing and homelessness services under the guise of immigration compliance and that application of these policies to the affected programs is unnecessary, burdensome and harmful to Texans in need. Commenter (4) observes that such policies would also negatively impact public health.

Commenter (1) notes that HUD had not yet issued an economic impact analysis of its guidance, and that in recent guidance the US Department of Health and Human Service (USHHS) did consider its redefining of a federal public benefit to be an economically significant regulatory action. Commenter (1) notes that they believe the amount estimated by USHHS (\$100 million nationally) is likely unrealistic and the cost would be higher. They question how TDHCA determined that there would be no economic impacts in the preambles to the rule. In their comment they de-

scribe several areas of potential costs including the costs to the households to obtain the required documentation, and the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule.

Commenters (1), (3), (4) and (6) are also concerned that the delays that will exist by having to obtain specific documentation will mean that households may be denied assistance, particularly with homeless assistance programs that are designed to address urgent and time-sensitive needs and in emergency rental assistance where a delay can result in an eviction. Commenter (4) expands on the issue of delays estimating that such verifications could take an average of 17 federal workdays.

Commenter (1) also notes that even when PRWORA was initially passed in 1996, it took several years to pass applicable rules and set up verification systems; state and local governments needed time to roll this out. They note that state and local governments should not be expected to produce verification systems that comply with regulations that do not yet exist. Commenters (3) and (4) note the administrative burden being placed on local governments, nonprofits and program operators that lack infrastructure and staffing to implement the processes.

Commenter (4) notes that according to the National Housing Law Project a benefit granting agency that improperly applies PRWORA's verification requirements could be subject to discrimination claims. They note that to their knowledge Texas is so far the only state to update rules ahead of additional guidance needed for implementation.

All of these reasons above support why commenters are requesting that the adoption of this rule be deferred until further federal guidance has been issued.

Staff Response: Staff does not recommend withdrawing or deferring the rule, as the federal guidance to date has provided sufficient guidance for the Department to proceed with this rule. While we do expect federal agencies may release further detail, we have already been directed through 2025 federal funding agreements and guidance to ensure the applicability of PRWORA. Should additional federal guidance be released that provides any greater specificity on how PRWORA should be applied to the programs, TDHCA will certainly become compliant with that guidance. The TDHCA rule changes are specific enough to reflect our adherence to the requirements of the federal funding agreements and to properly put program participants on notice, but still provide sufficient leeway for further guidance to be issued to our program participants should federal guidance be forthcoming. Further, per the HUD notice of November 26, 2025, states are not relieved from the requirements to ensure that all relevant programs are in compliance with PWRORA. HUD places the burden on TDHCA to ensure compliance with PWRORA, even before "new guidelines" are issued by HUD. No change is recommended to the rule in response to this comment.

As it relates to the economic impact, TDHCA has revised this preamble to provide greater specificity on this issue. It should be noted that Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law. Further, as it relates to the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule, the added work associated with checking for the required documents is expected to be minimal,

as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal or state funds the entity is receiving for the applicable programs. No entities will bear any non-reimbursable expenses to comply.

Comment on the Applicability of the Rule to Survivors of Domestic Violence, Sexual Assault, Stalking, and/or Dating Violence:

Commenters (4), (5) and (6) commented that the proposed immigration and/or citizenship status verification requirements should not apply to survivors of domestic violence, sexual assault, stalking, and/or dating violence, as such requirements would conflict with the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA). They request that in line with recent changes made to 10 TAC §1.410 in response to public comment, the final version of these proposed rules must explicitly exempt verification requirements for populations covered by VAWA or FVPSA to protect survivors of family violence in accordance with federal law.

Commenter (5) notes that both Federal statutes prohibit denial of assistance based on immigration and/or citizenship status and impose strong confidentiality protections to ensure survivors can safely access critical services. These commenters concluded that the rule needs to provide an explicit exemption for VAWA and FVPSA covered populations within TDHCA-funded programs. Without explicit clarification, subrecipients may interpret the rule as requiring immigration status verification for survivors of violence, which violates Federal laws.

Commenters (5) and (6) also indicates that the Family Violence Prevention and Services Act (FVPSA), the Victims of Crime Act (VOCA), and the Violence Against Women Act (VAWA) all require those in receipt of funds (ex. family violence centers) to protect personally identifiable information obtained while seeking services. Each of these federal laws prohibit grantees from disclosing a survivor's personal identifying information, unless an exception applies, which the information laid out in this proposed rule is not. Specifically, VAWA/FVPSA make clear that identifying information about victims cannot be shared without a properly issued release from the survivor or a court order. Commenter (5) notes that conditioning victims' access to services on documentation would also have a chilling effect on service provision, deter survivors from seeking help, and conflict with programmatic obligations of confidentiality and safety planning. Commenter states that federal law pertaining to victim-services statutes contain explicit non-discrimination protections that prohibit conditioning access to services. FVPSA requires that States and subgrantees "ensure that no person is denied services because of actual or perceived immigration status."

Commenters (5) and (6) also notes that the confidentiality provisions of VAWA and FVPSA prohibit covered programs from releasing personally identifying information without a signed and time limited release, court order, or statute requiring it and are prohibited from conditioning services on the signing of a release. Guidance from the Office on Violence Against Women (OVW) on VAWA instructs programs that these provisions apply to all operations of an entity that receives funding through OVW, even if that funding covers only a small part of their operations. The proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, which could be seen as violating the confidentiality provisions under VAWA for any covered program; and under Texas law, Chapter 93 of the Texas Family

Code establishes privilege between an advocate and a crime victim, which similarly prohibits disclosure of personal information with very limited exceptions, and applies to public and private nonprofits that provide family violence services. Commenter relays that the proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, in violation of state law and these programs could be at risk of losing state funding.

Staff Response: Consistent with the changes made in 10 TAC §1.410 TDHCA will specify in the amended rule that the rule will not apply to VAWA or FVPSA covered populations, unless federal guidance requires it.

Exception for Nonprofits.

Commenter (5) requests that exemptions for nonprofit providers should be made because survivors routinely seek supportive nonprofit services and their information should be protected.

Staff Response: The exemption for VAWA or FVPSA covered populations will be applicable to partially address this issue. Previously, interpretations regarding the verification process for PRWORA may have indicated that private nonprofit subrecipients- because they do not have direct access to the SAVE system used for verification - did not have to confirm qualified alien status at all even for federal programs covered by PRWORA. However, while PRWORA does not mandate a private nonprofit entity conduct verification, there is nothing in the statute that prohibits such an entity from conducting verification. Therefore, the rule does require that all recipients of the subject programs will be required to comply with PRWORA, and all Administrators must participate in verification within the contours of the statute.

Administrators that are nonprofit entities- including those already subject to, but not performing verifications, such as AYBR and Bootstrap - will have three options: 1) To have the Department provide the verification, directly or through a third-party contractor, which would require the Administrator to gather and transmit - but not verify - the appropriate client level information and documentation; 2) To have the Administrator voluntarily agree to participate in using the SAVE system, which is the option that creates the least delay in providing services to the clients (this option is reliant on the Department being able to revise its contract with the Department of Homeland Security); or 3) To allow the Administrator to procure a separate party to perform such verification services on their behalf. No changes are recommended to the rule in response to this comment. No change is recommended to the rule in response to this comment.

Request for Operational Guidance.

Commenter (2) requested that TDHCA provide detailed implementation guidance prior to enforcement, clearly describing what constitutes emergency situations, that requirements be aligned with federal ESG or HUD guidance. Commenter (2) requests additional clarification be made in the rule regarding the practical implementation and administrative requirements particularly for vulnerable households.

Commenter (2) asks that the amendment address Intake and eligibility workflows, including Coordinated Entry processes; Program participant file requirements and documentation standards; timeliness of assistance delivery; staff training and administrative capacity; data collection, privacy, and record retention obligations; what types of documents are acceptable; what documentation requirement will be applicable to victims

of domestic trafficking or are former foster children who were never provided with copies of their birth certificates or other forms of identification; how mixed-status households should be handle; whether self-attestation will be allowed in limited or emergency circumstances; and how eligibility determinations should be documented for monitoring purposes.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide guidance as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. Federal guidance provides for what constitutes an emergency situation, but TDHCA will provide in materials, web posts, and training more granular guidance on this as well. TDHCA will also provide on its website and to subrecipients what types of documents are acceptable, what forms should be used for documenting the process has been followed, and how mixed-status households should be handled. Other than the exceptions that will be allowable for emergency assistance (federally excepted), and for populations excepted in the rule that are protected under VAWA or FVPSA, self-attestations will not be allowed. As for some of the other requested guidance, TDHCA will not guide - or limit - how any particular subrecipient decides to adjust their operations or processes to implement these requirements. For instance it is up to each subrecipient to decide how it will integrate this policy into intake and eligibility workflows and the coordinated entry process. No change is recommended to the rule in response to this comment.

Request for Phased Implementation.

Commenter (2) requests that a phased implementation period be provided after final adoption. They also requested additional funding to absorb the labor costs for additional administrative burden.

Staff Response: TDHCA is unable to phase the implementation of this rule. Upon its adoption, subrecipients will be required to implement and adhere to this rule. Current subrecipients may use their administrative funds under the awards they receive to cover the costs of implementing this rule, which are fully eligible costs. No change is recommended to the rule in response to this comment.

Concern for Barriers to Access.

Commenter (2) noted that they are concerned that the proposed changes could create barriers for individuals who are otherwise eligible for services but face challenges obtaining documentation due to homelessness, disability, trauma, or language barriers. They encourage TDHCA to include safeguards that ensure: Non-discriminatory intake practices and clear communication to participants about eligibility requirements.

Staff Response: All subrecipients have the ability to institute non-discriminatory intake practices, and provide clear communication to participants about eligibility requirements. No change is recommended to the rule in response to this comment.

Appeals.

Commenter (4) notes that the rule says appeals will be addressed through each program's rules, but they did not see that the rules address the need for an appeals process specific to legal status verification.

Staff Response: Staff will add to the rule a requirement that each subrecipient must offer an opportunity for a household to appeal a legal status determination consistent with the appeals policy they utilize for other household eligibility appeals processes.

Training and Technical Assistance.

Commenter (2) requested that TDHCA offer technical assistance and written FAQs for subrecipients, and that TDHCA clearly outline monitoring expectations related to §1.410 compliance.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide training and technical assistance, including monitoring expectations, as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. No change is recommended to the rule in response to this comment.

Conditional Assistance.

Commenter (2) requests that in light of delays that are experienced in seeking documentation from households, TDHCA allow conditional or temporary assistance while documentation is obtained.

Staff Response: Benefits under these rules are not permitted to be provided to persons without PRWORA eligibility, including temporary or conditional assistance. No change is recommended to the rule in response to this comment.

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

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

§7.44. Program Participant Eligibility and Program Participant Files.

(a) Program participants must meet the applicable definitions of Homeless or At-risk of Homelessness. Proof of the eligibility or ineligibility for Program Participants must be maintained in accordance with 24 CFR §576.500, Recordkeeping and reporting requirements. The Applicant must retain income documentation for Program Participants receiving homelessness prevention and Program Participants receiving rapid re-housing that require annual Recertification. Program Participant income eligibility must be calculated and documented in accordance with the Requirements of HUD Handbook 4350, except that the Department's DIS form may be utilized if income cannot be documented in accordance with 24 CFR §576.500(e)(4). A DIS must be completed and signed by Program Participants whom are subject to income eligibility determination.

(b) The Subrecipient must document eligibility before providing services after a break-in-service. A break-in-service occurs when a previously assisted Household has exited the program and is no longer receiving services through Homeless Programs. Upon reentry, the Household is required to complete a new intake application and provide updated source documentation, if applicable.

(c) The Subrecipient must utilize the rental assistance agreement promulgated by the Department if providing rental assistance. The rental assistance agreement does not take the place of the lease agreement between the landlord/property manager and the tenant.

(d) The Subrecipient must retain a copy of the signed Disclosure Information on Lead Based Paint and/or Lead-Based Hazards for housing built before 1978 in the Program Participant's file in accordance with 24 CFR §576.403(a).

(e) Implementation of ESG activities involving direct assistance to Program Participants is subject to §1.410 of this Part (relating to Determination of Alien Status for Program Beneficiaries).

(1) Each Household member receiving direct assistance (including Homelessness Prevention or Rapid Re-Housing upon

annual recertification) must be verified for eligibility in accordance with §1.410 of this Part prior to receiving assistance.

(2) Direct assistance may be prorated utilizing a fraction based on Household eligibility, calculated by multiplying the full benefit amount by a fraction in which the numerator is the number of eligible Household members, and the denominator is the total number of Household members.

(3) Activities that do not provide direct housing or financial assistance, such as Emergency Shelter, case management, and Street Outreach, and in-kind disaster assistance are not subject to paragraphs (1) and (2) of this subsection.

(4) Populations that are documented by the Administrator as covered by the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act (FVPSA) are excepted from having verification under this rule performed, unless required to do so under federal guidance.

(5) Administrators must include in their operational processes a means by which a household may appeal a determination of their eligibility under this subsection.

(f) The Subrecipient must document the U.S. Citizen, U.S. National, or Qualified Alien status for each Household member receiving non-PWORA exempt direct assistance including:

(1) verification of eligible immigration or citizenship status consistent with §1.410 of this Part (relating to Determination of Alien Status for Program Beneficiaries);

(2) any determinations of ineligibility or mixed Household status; and

(3) records of proration calculations applied under paragraph (e)(2) of this subsection, if applicable.

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 March 6, 2026.

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Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

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Proposal publication date: December 26, 2025

For further information, please call: (512) 475-3959



CHAPTER 10. UNIFORM MULTIFAMILY RULES

SUBCHAPTER J. HOUSING FINANCE CORPORATION COMPLIANCE MONITORING

10 TAC §§10.1201 - 10.1207

The Texas Department of Housing and Community Affairs (the Department) adopts new 10 TAC Subchapter J, Housing Finance Corporation Compliance Monitoring §§10.1201 - 10.1207 with changes to the proposed text as published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8455). The rules will be republished. The purpose of the new rules, in compliance with Tex. Gov't Code §2306.053, is to implement the requirements of HB 21 (89th Regular Legislature), which

tasks the Department with the compliance monitoring oversight of all Housing Finance Corporation (HFC) multifamily residential developments. The new rules provide guidance on auditing and reporting requirements for HFC multifamily residential developments that are required to be audited no later than June 1, 2026, and the results reviewed and published by the Department.

Tex. Gov't Code §2001.0045(b) does not apply to the new rule adopted for action because it is necessary to implement the requirements of new legislation, HB 21.

The Department has analyzed this new 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 new rule is in effect:

1. The adopted new rule does not create or eliminate a government program but clearly outlines the audit report and monitoring requirements for Responsible Parties of Housing Finance Corporations and their Sponsors.
2. The adopted new rule will change the number of employees of the Department. The enactment of HB 21 included an appropriation for one full time employee for fiscal year 2026 to perform work associated with implementation of HB 21 and this rule.
3. The adopted new rule will require additional future legislative appropriations. The new rule is in effect because the Texas Legislature in its 89th Regular Session passed House Bill 21. The Department was appropriated an additional \$228,228 per year of the biennium from General Revenue funds to implement the provisions of the legislation and received one new FTE. It is expected that the appropriation would continue in subsequent biennia to continue implementing the provisions.
4. The adopted new rule will increase fees paid to the Department. Each HFC multifamily residential development must submit an annual service fee in the amount of \$35 per restricted unit, limited to the file sample size; the minimum fee shall not be less than \$500.
5. The adopted new rule is creating a new regulation in order to implement the requirements of HB 21.
6. The adopted new rule will not limit or repeal an existing regulation but can be considered to "expand" the existing regulations on this activity because the adopted new rule is necessary to ensure compliance with HB 21 and for the Department to establish rules.
7. The adopted new rule will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The adopted new rule will not negatively nor 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 new 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, §2306.053.

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

2. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities because these rules apply to all Housing Finance Corporation multifamily residential developments effective May 28, 2025.

3. The Department has determined that because these rules apply only to Housing Finance Corporation multifamily residential developments 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 new rule as to its possible effects on local economies and has determined that for the first five years the new rule will be in effect the adopted new rule creates provisions for a new procedure for monitoring Housing Finance Corporation multifamily residential developments that are generally exempt from ad valorem taxation. There will be economic cost to these developments required to comply with the new rule because a fee will be collected by the Department to perform compliance monitoring on Housing Finance Corporations multifamily residential developments. In addition, HFCs will be required to hire third party auditors to complete the annual audits.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the new rule on employment in each geographic region affected by this new rule..." Considering that no impact is expected on a statewide basis, 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. Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the new rule is in effect, the public benefit anticipated as a result of the new rule will be to provide a new procedure of monitoring Housing Finance Corporations multifamily residential developments that are generally exempt from ad valorem taxation.

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 rule is in effect, enforcing or administering the new rule does have some foreseeable implications related to costs or revenues of the state or local government. The Department was appropriated an additional \$228,228 per year of the biennium from General Revenue funds to implement the provisions of the legislation and received one new FTE.

SUMMARY OF PUBLIC COMMENTS AND STAFF REASONED RESPONSE. The Department accepted public comment between December 26, 2025, through January 26, 2026. Comment was received from 10 commenters. Comments regarding the proposed new rules were accepted in writing by mail and e-mail with comments received from:

1. Megan Cano, President, Texas Affiliation of Affordable Housing Providers (TAAHP); Chris Newton, Executive Vice President, Texas Apartment Association (TAA) and Benjamin Davis, Presi-

dent, Texas Chapter of National Association of Housing and Re-development Officials (TXNAHRO).

2. Deletta Dean, Director, Austin Housing
3. Gary Gates, State Representative, House District 28
4. Paige Mebane, Director, Coats Rose
5. Celine M Williams, President, Celine M. Williams Services
6. Cynthia L. Bast, Partner, BakerHostetler
7. Braxton Parsons, Senior Vice President, Hilltop Securities Inc.
8. Matt Vara, Mesa Assurance
9. Dianna Grey, Executive Director, Strategic Housing Finance Corporation of Travis County
10. Timothy Clark, President, Riverside Dwell, LP

Purpose and Applicability

Rule Section §10.1201

COMMENT SUMMARY: Commenter 9 appreciates confirmation that Housing Finance Corporation (HFC) multifamily residential developments with Low Income Housing Tax Credit (LIHTC) are excluded from this rule in accordance with HB 21. Commenter 2 seeks confirmation that an HFC ground lease when the borrower is not claiming a tax exemption under Chapter 394, Local Government Code is not subject to an Audit or Rent Reduction calculation. In addition, Commenter 2 states that Permanent Supportive Housing (PSH) that are not financed with Low Income Housing Tax Credits (LIHTC) that receive a partial tax exemption should be exempt from reporting since these developments serve chronically homeless individuals.

STAFF RESPONSE: Staff confirmed that HFC multifamily residential developments that are allocated LIHTC with a current Land Use Restriction Agreement (LURA) are exempt from reporting under statute and this rule. The rule cannot be revised in response to Commenter 2's requests because in accordance with HB 21, Section 394.9026(a)(10)(b) the only exception for a HFC multifamily residential development not to report that it is benefiting from a tax exemption under Chapter 394, Local Government Code, is a development that is a recipient of a LIHTC allocation. A Development not claiming an exemption is not required to report.

DEFINITIONS

Rule Section §10.1202(1)

COMMENT SUMMARY: Commenter 6 suggests the following words be deleted "or compliance expert" in the definition. They believe this is redundant since the definition of an Auditor includes a compliance expert.

STAFF RESPONSE: The Department accepted the recommendation and has removed the words "or compliance expert" from this section.

Rule Section §10.1202(2)

COMMENT SUMMARY: Commenters 1, 4 and 5 request the same modification to the definition of "Auditor" by striking the following words from the definition "a business entity that primarily performs audits and." Commenters 1, 4 and 5 state that statute is written in a manner that speaks to individual auditors as opposed to business entities. They believe that the Department is exceeding what is in statute by adding this clause. The commenters discussed the implication of this clause on the rota-

tional requirements relating to using new independent auditors and Commenters 1 and 5 expressed concern that limiting audit firms would result in challenges for HFC Users to find auditors which could result in a cost increase due to the limited supply of auditors. Commenter 5 also recommends the term "Auditor" should be the same definition that is in the Public Facilities Corporation (PFC) rule.

STAFF RESPONSE: Staff has removed the words "a business entity that primarily performs audits and" from the Auditor definition.

Rule Section §10.1202(8) and (14)

COMMENT SUMMARY: Commenter 3 indicates there is a conflict in language regarding ownership structure between §10.1202(8) and §10.1202(14). It is suggested that definition (14) for "Multifamily Residential Development" should be revised to align with definition (8) for "Housing Finance Corporation User" and the statutory language of HB 21. Commenter 2 supports the language in the proposed rule that multiple developments meeting the requirements stipulated in §10.1202(14) will be considered as one singular Multifamily Residential Development.

STAFF RESPONSE: In response to Commenter 3, staff has revised the definition of Multifamily Residential Development in §10.1202(14) by removing "owned by a Housing Finance Corporation," from the. Staff appreciates Commenter 2's support.

Rule Section §10.1202(11)

COMMENT SUMMARY: Commenter 5 recommends clarifying that the "average annual Rent" be a point in time average of each Unit Type and not a 12-month average of every single unit.

STAFF RESPONSE: The Department did not implement the recommendation as it deviates from the definition of Maximum Market Rent in HB 21, which states, "the average annual rent charged."

Rule Section §10.1202(15)

COMMENT SUMMARY: Commenter 7 suggests removing the word "partnership" from the definition as it could cause confusion.

STAFF RESPONSE: Staff has removed the word "partnership" from the definition of Regulatory Agreement.

Rule Section §10.1202(16)

COMMENT SUMMARY: Commenter 3 indicates how rent is defined deviates from HB 21 in two material ways. First, pest control fees are not excluded in HB 21 and should be counted towards max rent. Additionally, fees for utilities are recurring and should be included in the definition of rent. Commenter 5 recommends clarifying that recurring fees for utilities include trash and should not be included in the rent calculation. Commenter 1 and 4, like Commenter 5 recommends adding "trash" as one of the exceptions to max rent. Commenter 7 suggests a phrasing change to clarify that any fees that are optional, may be excluded from rent.

STAFF RESPONSE: Staff has accepted Commenter 3 recommendation since it aligns with the definition of "Rent" in HB 21. Staff did not accept the proposed changes suggested by Commenters 1, 4 and 5 since "trash" is specifically not excluded in the definition of rent in HB 21. Staff also did not implement phrasing changes suggested by Commenter 7 as it deviates from the text in HB 21.

Reporting Requirements

Rule Section §10.1203(1)(B)

COMMENT SUMMARY: Commenter 3 does not agree that the Department should allow an extension up to 120 days for audit submissions and believes the extension time is excessive. Commenter 3 suggests that the Department should only allow a maximum of 60 days. Commenter 4 suggests that requiring all extension requests be submitted by May 1 of each reporting year is likely to place an undue burden on HFC Users.

STAFF RESPONSE: The Department has accepted Commenter 3's suggestion to shorten the extension timeframe from 120 days to 60 days. Staff disagrees with Commenter 4 that the May 1 deadline is an undue burden, because Audit Reports are due by June 1 and HFC Users should be able to determine by May 1, if an extension is needed.

Rule Section §10.1203(1)(C)

COMMENT SUMMARY: Commenter 1 stated that the documents listed as required to be submitted with the first Audit Report may not be available for HFC multifamily residential developments that were initiated prior to HB 21. Commenter 1 also submitted a redline version of the rule with suggested proposed changes. Commenter 7 made similar suggestions to differentiate what documents were due with the first Audit Report.

STAFF RESPONSE: Staff has incorporated the formatting changes and the suggested language changes with the exception of the Commenter's suggested removal of this sentence, "These items being submitted are the responsibility of the HFC User; if the Auditor indicates in their Audit Report that the HFC User has not provided the documents required in this subparagraph, a compliance finding will be issued." Staff is not deleting this sentence because it is the HFC User's responsibility to comply with HB 21 and the HFC rules.

Rule Section §10.1203(1)(D)

COMMENT SUMMARY: Commenters 1 and 4 both suggested adding the exact same language to clarify when the first Audit Report is due for submission from a Development that is acquired prior to May 28, 2025, and is refinanced etc.

STAFF RESPONSE: Staff included the suggested additional language in Section 10.1203(1)(D)(iii) to add clarity on when a Development must submit their first annual Audit Report if that Development was refinanced, had a conveyance of fee or leasehold title, or was a sale or transfer of a majority of the beneficial ownership interest in a Development.

Rule Section §10.1203(3)(A)

COMMENT SUMMARY: Commenter 5 recommends that the reporting year not be required to include the full prior year, and that flexibility be added for HFC developments that are in lease up or in the process of implementing regulatory requirements. They suggest that the end date of December 31 be a recommendation, rather than a requirement.

STAFF RESPONSE: Staff did not accept the recommendation because having a reporting year end date of December 31, and which covers the full prior year, provides guidance and uniformity in Audit Reports.

Rule Section §10.1203(4)

COMMENT SUMMARY: Commenter 1 recommends that the compliance fee structure and amount of the fee be changed from \$20 per Restricted Unit to \$35 per Restricted Unit and be limited to the file sample size. Commenter 5 agrees with Commenter 1, that the annual compliance fee structure be limited to file sample size. Commenter 5 also suggested the fee amount be \$20 per Restricted Unit.

STAFF RESPONSE: As suggested, staff has increased the fee amount per Restricted Unit, while now limiting the fee amount calculation to the sample size of units. Staff also included Commenter 5 recommendation of limiting the fee amount to the sample size but did not include the recommendation of \$20 per Restricted Unit because staff accepted all of Commenter 1's suggested changes for the fee amount to be increased but limited to sample size only.

Rule Section §10.1203(5)

COMMENT SUMMARY: Commenter 3 recommends replacing the current phrase "A copy of the summary notice" with "A copy of the summary of the Audit Report" for clarity. Additionally, the reference to providing notice to "the Development" should be removed and only refer to "Responsible Parties" as it is more appropriate and aligns with HB 21.

STAFF RESPONSE: The Department has implemented the changes.

Rule Section §10.1203(6)(A) and (B)

COMMENT SUMMARY: Commenter 3 indicates there is a material divergence from HB 21. The proposed rule improperly expands noncompliance to Section 394.9026. Per Commenter 3, Section 9026(d) of HB 21 only directs the agency to provide an option for corrective action for a finding of noncompliance with Section 394.9026(c). Commenter 6 requests that 10.1203(6)(B) follow statute and defined terms and replace "appropriate appraisal district" with "Chief Appraiser" since it is not required by statute. Commenter 4 suggests adding an additional 60-day extension to the 180-day statutorily required corrective action period outlined in HB 21.

STAFF RESPONSE: Staff accepted Commenter 3 suggestions and has implemented the changes to the rule. Staff also accepted Commenter 6's revision. Staff did not incorporate Commenter 4's recommendation as it deviates from HB 21 statutory requirements and the Department does not have the authority to provide an extension for corrective action beyond 180 days.

Rule Section §10.1204(1)

COMMENT SUMMARY: Commenters 2 and 10, recommend expanding the language to clarify that bridge, or short-term (less than 5 years), would not be considered a refinancing. Commenter 9 appreciates that inclusion having already been in the rule. Commenter 7 provided an example of when a Development is refinanced and when the first Audit Report would be initially due.

STAFF RESPONSE: The Department appreciates the support from Commenters 2, 9 and 10 on the language. The current published rule included the suggestions outlined by the Commenters; it is possible that Commenters 2 and 10 were referring to the previous published version. The Department accepted the example provided by Commenter 7 and has implemented the changes.

Rule Section §10.1204(2)

COMMENT SUMMARY: Commenter 1 recommends adding the word, "Restricted" to Unit, to make clear that the number of files selected for review by the Auditor is limited to the number of Restricted Units, including when a Development is leasing up.

STAFF RESPONSE: The Department has implemented the change in the rule.

Rule Section §10.1204(3)(B)

COMMENT SUMMARY: Commenter 3 recommends that the Department require photographic documentation that restricted units have comparable finishes, equipment and access and that a written certification alone is insufficient. Commenter 10 recommended that "Units" be capitalized when referring to "Restricted Units" in the rule. Commenter 10 also suggested the following language be deleted, "significant variations in floor plans and square footage will be considered non-compliance" due to circumstances where Developments with live-work units with commercial space are utilized by residents who operate a business, and their income exceeds the affordable thresholds. These live-work units are part of the "non-income restricted" units on the Development and no comparable floorplans exist in the Restricted Units.

STAFF RESPONSE: As suggested by Commenter 3, staff added photographic evidence as an additional requirement in the rule. Staff did not accept Commenter 10's suggested revisions because the requirement that the income-restricted residential units in the development have the same unit finishes, equipment and access to community amenities and programs as residential units that are not income-restricted is required in HB 21.

Rule Section §10.1204(3)(C)

COMMENT SUMMARY: Commenter 10 recommends revising this section to: "Unit Types shall be allocated proportionally across each income restricted category." They recommend this to allow for minor discretion necessary due to rounding and instances where Unit Types cannot be exactly spread across multiple categories.

STAFF RESPONSE: Staff has not made the recommended revisions to comply most closely with HB 21.

Rule Section §10.1204(3)(D)

COMMENT SUMMARY: Commenter 5 recommends the "Department-approved Income Certification form" required in the rule also include the "Verification of Income" form as referenced in most HFC Regulatory Agreements.

STAFF RESPONSE: Staff declines to include the "Verification of Income" form as the form does not reflect the current statutory or rule requirements to verify and document a restricted household's income and assets.

Rule Section §10.1204(3)(D)(i)

COMMENT SUMMARY: Commenter 6 expressed appreciation for the next available unit example in the rule, but also suggested including that the HFC User can charge the household the rent at their applicable income designation. Commenter 7 suggests that very few HFCs have rents at the 160 percent level and including 160% in the example may result in additional HFC Users seeking to pursue this higher limit.

STAFF RESPONSE: Staff has accepted Commenter 6 addition to the example to make clear that households may be charged rent at their current income designation. Staff also accepted the

suggestion by Commenter 7 to change the income and rent designation from 160 percent to 120 percent in the example.

Rule Section §10.1204(3)(F)

COMMENT SUMMARY: Commenter 3 requests that the website disclosure should be on the home page of the Development's website, to prevent the disclosure from being buried elsewhere and difficult to find.

STAFF RESPONSE: The rule has been revised to reference the home page of the Development's website.

Rule Section §10.1204(3)(K)(i)

COMMENT SUMMARY: Commenter 1 suggests adding "imputed person per bedroom adjustment" language to clarify the rent limit calculation and removing "adjustment for family." Commenter 3 suggest that the current language relating to adjustments for family size improperly directs an Auditor to defer to regulatory agreements when determining rent limits, rather than actual operating practices.

STAFF RESPONSE: The Department declined to make these requested revisions from Commenters 1 and 3. The Department has provided technical clarity to HFC Users and Auditors on the definition of Rent that are used in practice when adjustment for family size is unclear. Commenter 1's recommendation of using "imputed persons per bedroom" in lieu of "adjustment for family size" deviates from HB 21 and is not revised.

Rule Section §10.1204(3)(L)

COMMENT SUMMARY: Commenter 1 requested that clarifying language be added to identify that it is the HFC User that is responsible for determining the Rent Reduction comparison.

STAFF RESPONSE: Staff included the clarifying language.

Rule Section §10.1204(3)(L)(i)

COMMENT SUMMARY: Commenter 1 is requesting a change to the Rent Reduction calculation language, to use "average of the Rent charged" instead of "annual Rent charged". Commenter 3 suggests that the allowable methodologies to determine Maximum Market Rent in a development that is one-hundred percent restricted are too broad and provide excessive discretion to the HFC User. Commenter 3 also recommends adding specific parameters to the rule for the market study and leasing survey methods, for example, it was suggested that Class C properties should not be compared to Class A properties and that Fair Market Rents are not suitable to use for small areas because they are not sufficiently localized.

STAFF RESPONSE: The Department did not accept Commenter 1 recommendation to include the term, "average the rent charged as of December 31" as statute does not allow for an average when calculating the difference between the annual Rent charged for each restricted unit and the estimated annual Maximum Market Rent that could be charged. While staff agrees that added specificity could be beneficial in the methodologies for estimating Maximum Market Rent, the suggestions by Commenter 3 likewise add ambiguity; some of the suggested terms, like Class C and Class A properties are not defined terms. Additionally, to add greater specificity at this point in the rulemaking process would not have allowed the public to make comment on those additions. Staff will proceed with the rule as is, but with the understanding that as the rule is implemented and Audit Reports are received, it will evaluate actual report submissions of HFC Developments that are one hundred percent restricted

to identify the challenges in estimating Maximum Market Rents and if any additional parameters will be needed.

Rule Section §10.1204(3)(L)(i)(I)

COMMENT SUMMARY: Commenters 1 and 4 submitted the exact same comments and they are requesting to add new language regarding the timing of submission of the first annual Audit Report and Rent Reduction calculation for Developments that were acquired prior to May 28, 2025, which undergo refinancing etc.

STAFF RESPONSE: The Department has included the new language in the rule to add clarity to the timing of reporting requirements.

Rule Section §10.1204(3)(L)(ii)(II)

COMMENT SUMMARY: Commenters 2 and 9 appreciate that the rule addresses the treatment of voucher holders for purposes of the Rent Reduction calculation. Commenter 3 suggests that only including the tenant paid portion of rent for a voucher holder in the Rent Reduction Calculation is problematic because this would allow federal subsidies to be counted toward the requirement that 50% of property tax savings be used to lower rents and shifts responsibility for funding rent reductions from the User to the federal government.

STAFF RESPONSE: The Department staff acknowledges Commenters 2 and 9 in support of how voucher holder rent is used to calculate the rent reduction. Regarding Commenter 3's concern, staff would like to clarify that not including the voucher holder's rental assistance amount and only including the voucher holder's tenant paid portion of rent results in a deeper rent saving for households. Excluding the voucher holder's rental assistance amount means it will not be counted toward the Development's 50% property tax saving calculation. For example, if a voucher holder tenant pays \$300 per month toward their rent and the rental assistance payment of rent is \$1,000, then the rental assistance payment of \$1,000 per month would be excluded for purposes of calculating the Rent Reduction.

Rule Section §10.1204(3)(L)(i)(II)(b-)

COMMENT SUMMARY: Commenter 3 suggested replacing the word "charged" with "that would be charged."

STAFF RESPONSE: Staff has made the recommended revision.

Rule Section §10.1204(3)(L)(i)(III)

COMMENT SUMMARY: Commenter 1 and Commenter 3 suggested adding clarifying language to align with statute when there are multiple taxing jurisdictions.

STAFF RESPONSE: Staff accepted the suggestion as it adds clarity to the rule.

Rule Section §10.1204(3)(L)(ii)(II)

COMMENT SUMMARY: Commenter 10 suggests deleting the first sentence of this section because the first sentence is repetitive and possibly conflicting with the definition of Rent Reduction.

STAFF RESPONSE: Staff did not incorporate this change into the rule. The sentence adds clarity, and the action required to complete the public benefit calculation.

Rule Section §10.1204(3)(L)(ii)(II)(a-)

COMMENT SUMMARY: Commenter 5 suggests, the average rent charged for market rate units, and the average rent for restricted units should be used to reflect an accurate public benefit

test. Commenter 5 indicates the maximum permitted rent for restricted units may be much higher than the average restricted rent the development is actually charging. Using the permitted rent instead of the average rent charged for restricted units may inflate the rents and not accurately reflect the Rent Reduction calculation. Commenter 10 recommends replacing "maximum permitted Rent" with "advertised rent" because the language penalizes a property that offers an advertised rent below what is permitted in the Regulatory Agreement. Commenter 10 also suggests the current language as drafted would be punitive and discourages affordability. Commenter 8 suggests that the first public benefit test calculation be based on when the exemption was received and not when the Development was acquired by the HFC. For example, a Development acquired in December 2024 but lacks the exemption would not have to complete the public benefit determination until 2026.

STAFF RESPONSE: The Department declines comments from Commenters 5 and 10, as HB 21 specifies that the public benefit calculation is on charged rent. The rent that could be charged on a vacant Restricted Unit is the permitted rent limit. In response to Commenter 8, staff has added an additional example to the rule in §10.1204(3)(L)(ii)(I)(-c-) regarding when a HFC development is acquired and when the HFC User must report.

Rule Section §10.1204(3)(L)(ii)(IV)(a-)

COMMENT SUMMARY: Commenter 3 would like clear guardrails added for the escalation factor to remove unnecessary discretion.

STAFF RESPONSE: The Department appreciates Commenter 3's concerns regarding the calculation of escalation factors; however, the Department believes that most appraisal districts publish or will provide the necessary values that HFC Users needs to complete the public benefit calculation. The Department will also post the Public Benefit Test Owner Certification form along with the Summary, to ensure transparency of its review of all aspects of the submitted Audit Reports. The Department will review all 2026 Audit Reports and based on submissions may initiate new rule making to provide more specific parameters in establishing escalation factor amounts.

Rule Section §10.1204(3)(L)(ii)(IV)(b-) and (-c-)

COMMENT SUMMARY: Commenter 3 would like the language to prioritize the use of officially published appraisal district values when determining property tax appraisals and only reserve alternative methods for cases in which no published appraisal district valuation is provided.

STAFF RESPONSE: Staff updated the rule to reflect these changes.

Income and Rent Calculations

Rule Section §10.1205(5)

COMMENT SUMMARY: Commenter 8 requests that in lieu of verifying income and assets, that HFC Users be allowed to use the "Verification of Income" statement. If not fully approved, at least allow the form to be used for the 2025 tax year because collection of the full verification of income from an in-place tenant would be very challenging for Sponsors.

STAFF RESPONSE: The Department did not accept the suggested change as the "Verification of Income" statement referred to in some HFC Regulatory Agreements does not verify, or document required income and assets to demonstrate a household eligible for a Restricted Unit.

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

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

§10.1201. *Purpose and Applicability.*

The purpose of this Subchapter is to:

(1) Establish rules governing Developments owned or sponsored by a Housing Finance Corporation (HFC) that are subject to Sections 394.9026 and 394.9027 of the Texas Local Government Code.

(2) Enable the Department to communicate with Responsible Parties and persons with an interest in the Development, regarding the results of the Audit Report.

(3) Establish qualifications for Auditors and reporting standards and formats.

(4) Implement compliance requirements, tenant protections, and affirmative marketing requirements, as required by Sections 394.9026 and 394.9027 of the Texas Local Government Code.

(5) This rule is not applicable to a Development that is a recipient of Federal Low Income Housing Tax Credits. For purposes of this rule, a recipient of Federal Low Income Housing Tax Credits is any Development or HFC User that has received a Commitment Notice, or Determination Notice for an allocation of Federal Low Income Housing Tax Credits from the Department. During the time the Development is under construction or Rehabilitation, it will be considered to be a recipient of Housing Tax Credits, unless more than five years have passed since the Commitment Notice or Determination Notice was issued and the Development Owner has not yet entered into the Land Use Restriction Agreement. Upon conclusion of the construction or Rehabilitation, the Development must have an executed Land Use Restriction Agreement (LURA) with the Department that covers all the Residential Units. Then, the Development is considered to be a recipient of Federal Low Income Housing Tax Credits for the term of the LURA between the Department and the Development Owner.

§10.1202. *Definitions.*

The capitalized terms or phrases used herein are defined in this title. Any other capitalized terms in the subchapter shall have the meaning defined in Chapter 2306 of the Texas Government Code, Chapter 394, Texas Local Government Code, and other state or Department rules, as applicable. Defined terms, when not capitalized, are to be read in context and construed according to common usage.

(1) **Audit Report**--A report required by Section 394.9027 of Texas Local Government Code completed by an Auditor in a manner and format prescribed by the Department.

(2) **Auditor**--An individual who is an independent auditor or a compliance expert with an established history of providing similar audits on housing compliance matters, meeting the criteria established herein.

(3) **Board**--The governing board of the Texas Department of Housing and Community Affairs.

(4) **Chief Appraiser**--The chief appraiser of any appraisal district in which a Development is located.

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

(6) **Housing Choice Voucher Program**--The housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437(f)).

(7) **Housing Finance Corporation (HFC)**--A public, non-profit corporation created under Chapter 394, of the Texas Local Government Code. This includes an instrumentality created by the HFC.

(8) **Housing Finance Corporation User or HFC User**--A Housing Finance Corporation; or for a Multifamily Residential Development that is not owned directly by a Housing Finance Corporation, a public-private partnership entity or a developer or other person or entity that has an ownership interest or a leasehold or other possessory interest in a Multifamily Residential Development financed or supported by a Housing Finance Corporation.

(9) **HUD**--The United States Department of Housing and Urban Development.

(10) **Lower Income Housing Unit**--A residential unit reserved for occupancy by an individual or family earning not more than 60 percent of the area median income, adjusted for family size.

(11) **Maximum Market Rent**--With respect to a particular Restricted Unit Type, the average annual Rent charged for all non-income-restricted units in the Development having the same or substantially similar floor plan as the Restricted Unit Type.

(12) **Middle Income Housing Unit**--A residential unit reserved for occupancy by an individual or family earning not more than 100 percent of the area median income, adjusted for family size.

(13) **Moderate Income Housing Unit**--A residential unit reserved for occupancy by an individual or family earning not more than 80 percent of the area median income, adjusted for family size.

(14) **Multifamily Residential Development**--(also called Development) Any residential development consisting of four or more residential units intended for occupancy as rentals, regardless of whether the units are attached or detached. If multiple Developments are owned by the same HFC with the same HFC User under one single-purpose ownership entity, are within the same jurisdictional boundaries pursuant to Section 394.031 of the Texas Local Government Code, and are bound under one Regulatory Agreement, it will be considered as one singular Multifamily Residential Development.

(15) **Regulatory Agreement**--A Land Use Restriction Agreement (LURA), Ground Lease, Deed Restriction, or any similar restrictive instrument that is recorded in the real property records of the county in which the Development is located or an agreement between the HFC and HFC User which is not recorded in the real property records.

(16) **Rent**--Any recurring fee or charge a tenant is required to pay as a condition of occupancy, including a fee or charge for the use of a common area, amenity, or facility reasonably associated with the residential rental property. The term does not include fees for services or amenities that are optional for a tenant, such as pet fees and fees for storage or covered parking. For Developments acquired prior to May 28, 2025, starting with reporting year 2026, the Development must comply with this rent definition.

(17) **Rent Reduction**--The projected difference between the annual Rent charged for a Restricted Unit and the Maximum Market Rent that could be charged for that same unit without the income restrictions.

(18) **Responsible Parties**--The Housing Finance Corporation that owns or is associated with the Development, the Housing Fi-

nance Corporation User of the Development, the Texas Comptroller, and the governing body of the Sponsor.

(19) Restricted Unit--A residential unit in a Multifamily Residential Development that is reserved for or occupied by a household meeting certain income limitations established in the Regulatory Agreement, in accordance with Section 394.9026(c)(1) of Texas Local Government Code, with Rent for such unit restricted as set forth in these rules. Restricted Units may float in a Development and need not be permanently fixed.

(20) Sponsor--A municipality, county or collection of municipalities and counties that causes a corporation to be created to act in accordance with Chapter 394, of the Texas Local Government Code.

(21) Substantially Similar Floor Plan--Means a Unit Type.

(22) Tax Year--Is a calendar year. For the purposes of all provisions within the rule, the terms "Tax Year" and "Calendar Year" shall have the same meaning and shall be interchangeable.

(23) Unit Type--Means the type of unit determined by the number of bedrooms.

(24) Very Low Income Housing Unit--A residential unit reserved for occupancy by an individual or family earning not more than 50 percent of the area median income, adjusted for family size.

§10.1203. Reporting Requirements.

The following reporting requirements apply to all Housing Finance Corporation (HFC) Multifamily Residential Developments claiming an ad valorem tax exemption under Section 394.905 of the Texas Local Government Code and to which Sections 394.9026 and 394.9027 of Texas Local Government Code apply, regardless of when approved or acquired.

(1) All Multifamily Residential Developments owned by an HFC as defined by this subchapter must submit an Audit Report as described in this paragraph.

(A) No later than June 1 of each year, with approved extensions as described in subparagraph (B) of this paragraph each HFC User must submit to the Department an Audit Report from an Auditor, obtained at the expense of the HFC User. The Audit Report determines whether the Multifamily Residential Development was in compliance with Sections 394.9026 and 394.9027 of the Texas Local Government Code for the immediately preceding Tax Year.

(B) Audit Report extension requests must be submitted to hfc@tdhca.texas.gov no later than May 1 of each reporting year. The request for an extension must include an explanation of the reason and the requested submission date, not to exceed 60 days from the June 1 reporting deadline. Within seven calendar days of receiving the request, the Department will respond to the request and issue a determination of approval or denial for an extension.

(C) Prior to submission of the first Audit Report for a Development, the HFC User must provide the Auditor with a copy of the following:

(i) Underwriting assessment as published on the HFC website and as conducted pursuant to Section 394.905(b)(3) of Texas Local Government Code, if applicable;

(ii) Resolution or order required by Section 394.031(d) and Section 394.037(a-1)(2), if applicable;

(iii) Board meeting minutes, public hearing transcript or adopted resolution, or other document evidencing approval of the Development, if applicable;

(iv) Regulatory Agreement; and

(v) A one-time exemption application submitted to the Texas Comptroller's office.

(vi) The Auditor will include these with the first Audit Report. These items being submitted are the responsibility of the HFC User; if the Auditor indicates in their Audit Report that the HFC User has not provided the documents required in this subparagraph, a compliance finding will be issued.

(D) The first Audit Report for a Development must be submitted no later than June 1 of the Tax Year following:

(i) The date of acquisition by the HFC for an occupied Development; or

(ii) The date a newly constructed Development first becomes occupied by one or more tenants.

(iii) For a Development acquired prior to May 28, 2025, the first Audit Report must be submitted no later than June 1, 2026.

(2) A Multifamily Residential Development is not entitled to an ad valorem tax exemption for any Tax Year in which the HFC User has not timely submitted the full Audit Report by the deadline, with approved extensions as required by Section 394.9027 of the Texas Local Government Code.

(3) All Audit Reports must comply with subparagraphs (A) to (C) of this paragraph:

(A) be for at least the full prior reporting year ending December 31 and include a rent roll for the same period.

(B) include contact information for all Responsible Parties.

(C) be completed and submitted in the Department prescribed manner.

(4) The HFC User must submit an annual service fee to the Department by June 1 of each year of the greater of \$35 per Restricted Unit that is included in the sample described in §10.1204(2) of this subchapter or \$500 for Developments subject to an Audit Report. This fee shall be tendered by check, money order, or via an online payment system (if provided by the Department), payable to the Texas Department of Housing and Community Affairs. This fee, when received in connection with an Audit Report, is earned and is not subject to refund.

(5) No later than 60 days after the receipt of the Audit Report, the Department will post a summary of the Audit Report on its website including a detailed description of any noncompliance with this rule found by the Auditor and indication that such notice does not constitute a final determination. A copy of the summary of the Audit Report will also be provided to all Responsible Parties.

(6) If noncompliance is identified by the Auditor in the Audit Report, no later than 120 days after receipt of the Audit Report by the Department, the Department will issue a monitoring report notice and make it available on the website. A copy of the monitoring report will also be provided to all Responsible Parties.

(A) The monitoring report will include a detailed description of any noncompliance with Section 394.9026(c) and at least one option for corrective action to resolve the noncompliance. The HFC User will be given 180 days from the issuance of the monitoring report notice to correct the noncompliance. At the end of the 180 days, the Department will post a final report on its website.

(B) If there is any noncompliance with Section 394.9026(c) that is not corrected within the 180-day corrective action period, the Department will notify the Responsible Parties, and Chief

Appraiser, and the Texas Comptroller in writing and recommend a loss of ad valorem tax exemption under Section 394.905 Texas Local Government Code respective to the Tax Year being Audited.

(7) The qualification of the Auditor must be submitted with each Audit Report. Qualifications must include experience auditing housing compliance, a current Certified Occupancy Specialist (COS) certification or an equivalent certification, and resume. The Auditor may not be affiliated with or related to any Responsible Parties. Additionally, a current or previous Management Agent that has or had oversight of the Development or is/was responsible for reviewing and approving tenant files does not qualify as an Auditor under these rules. HFC Users may not engage the same individual as Auditor for a particular Development for more than three consecutive years. After the third consecutive Audit Report by the same Auditor, the HFC User must engage a new Auditor for the submission of at least two annual Audit Reports before re-engaging with a prior Auditor.

(8) Audit Reports and supporting documentation and required forms must be submitted through the Departments File Serve System. To obtain access to this system the HFC User or Auditor must request access by emailing hfc@tdhca.texas.gov.

§10.1204. Audit Requirements.

Multifamily Residential Developments must comply with the Audit Report requirements identified in this section:

(1) If the Multifamily Residential Development was acquired prior to May 28, 2025, the Development must comply with all requirements by January 1, 2026, with the exception of paragraphs (3)(B), (3)(C), (3)(J), (3)(K) and (3)(L) of this section, which must be met no later than the end of the 10th Tax Year following May 28, 2025, or the end of the first Tax Year following a Tax Year in which the Development was refinanced, fee or leasehold title was conveyed or a sale or transfer of a majority of the beneficial ownership interest in the Multifamily Residential Development or HFC User occurred. For example, 1204(1): If a Development is refinanced on July 15, 2027, the tax year would be 2027, and the second tax year after refinance would be 2028; so the previous Audit Report requirements would be due on June 1, 2028. The above would no longer be exempt for Tax Year 2028 and should be included in the Audit Report submitted June 1, 2029. For purposes of this rule, refinancing of construction loans, whether by virtue of conversion from construction phase to permanent phase or replacement of construction, bridge, or short-term (less than 5 years) financing with permanent financing, will not be considered a refinancing.

(2) The Auditor must use the Department's HFC monitoring forms made available on the website. The review performed by the Auditor may be completed either onsite or electronically. Original records must be made available to the Auditor. The file sample used by the Auditor must contain at least 20% of the total number of Restricted Units for the Development, but no more than a total of fifty (50) household files. The selection of Restricted Units should include at least 75% of households that are newly moved into the Development, but also include at least 10% of households that have recertified, or if 10% of households have not recertified, then units that have recertified. For Developments that are leasing up and not yet fully occupied the percentages reflected in this paragraph should be applied to all occupied Restricted Units.

(3) The Auditor will ensure Development meets the following requirements and will identify any deficiencies in the Audit Report:

(A) The HFC User will provide the Auditor with supporting documentation that the Auditor will submit with the Audit that:

(i) confirms that the Multifamily Residential Development is within its jurisdictional boundaries pursuant to Section 394.031 of the Texas Local Government Code such as a GIS boundary map, recorded legal description, local-government resolution, or other source approved by TDHCA.

(ii) confirms that a Multifamily Residential Development that is outside of the Sponsor's jurisdiction has been approved in accordance with Section 394.031(d) of Texas Local Government Code. For a Development not located within the Sponsor's jurisdictional boundaries, that was acquired on or before September 1, 2025, this requirement does not apply until January 1, 2027, after which this documentation must be submitted.

(B) The Restricted Units in the Development have the same unit finishes and equipment and access to community amenities and programs as residential units that are not income restricted. Minor variations in floorplans, colors, and design are acceptable deviations and will not be noted as noncompliance; significant variations in floor plans and square footage will be considered noncompliance. The Auditor may rely on a written certification and photographic evidence from the HFC User to support that a Development has equitable finishes, equipment and access to amenities and programs. Such certification must be submitted with the Audit Report.

(C) The percentage of Restricted Units in each Unit Type and each category of income restriction in the Development must be the same or greater percentage as the percentage of each Unit Type of units that are reserved in the Development as a whole.

(D) Occupants of Restricted Units are required to recertify the income of the household using a Department-approved Income Certification form at lease renewal. If a household exceeds the income limit at annual income recertification, the Available Unit Rule as outlined in Section 42(g)(2)(D) of the Internal Revenue Code will be implemented in the following manner:

(i) Where the household's income exceeds the AMI as designated, the household can be redesignated to the next AMI level in the Regulatory Agreement. The next available unit of comparable size in the Development is to be reserved for and occupied by a tenant that meets the AMI of the household that was determined to exceed the income limit. Example 1204(2): Development Regulatory Agreement includes units at 80% and 120%, Unit 101, a one-bedroom Unit Type, is designated as 80%. At the annual income recertification, the household income was determined to exceed 80% AMI but was less than 120% AMI. The unit should be redesignated as 120% at the time the determination is made and the next available one-bedroom Unit Type in the Development must be reserved for and occupied by an 80% household. At the time of determination that the unit should be 120%, with proper notification, the household rent may increase to the new rent designation.

(ii) Where the household's income exceeds the AMI as designated and the household is designated at the highest AMI in the Regulatory Agreement, the next available unit of comparable size in the Development is to be reserved for and occupied by a tenant that meets the AMI of the household that was determined to exceed the income limit. Example 1204(3): Development Regulatory Agreement includes units at 80% and 120%. Unit 201, a two-bedroom Unit Type is designated as 120%. At the annual income recertification, household income was determined to exceed 120% AMI, the highest AMI in the Regulatory Agreement. The next two-bedroom Unit Type in the Development, must be reserved for and occupied by a 120% household. Unit 201 retains the 120% status until such time that the Available Unit Rule, as described here, is complied with or violated.

(E) The Development must affirmatively market available Restricted Units and non-Restricted Units to households participating in the Housing Choice Voucher program and notify local housing authorities of their acceptance of voucher program tenants. Evidence of this must be provided to include, but not be limited to, notifications to the local housing authority, advertising that may be posted at the local housing authority properties, or mailings that were sent to local housing authority households.

(F) The home page of the internet website for the Development must include information about the Development and its compliance with Section 394.9026(c)(7), Texas Local Government Code, along with its policies on the acceptance of Housing Choice Voucher holders or any other rental assistance.

(G) Multifamily Residential Developments cannot refuse to rent to an individual or family solely because the individual or family participates in a Housing Choice Voucher program.

(H) Multifamily Residential Developments cannot require a minimum income standard for individuals or families participating in a Housing Choice Voucher program that exceeds two hundred and fifty percent (250%) of the tenant portion of rent.

(I) The Auditor will review the Development's form of tenant lease, lease addendums and leasing policies to ensure the Development meets the following requirements and will report any deficiencies found in the Audit Report. Each residential lease agreement for a Restricted Unit must provide the following:

(i) The landlord may not retaliate against the tenant or the tenant's guests by taking action because the tenant established, attempted to establish, or participated in a tenant organization;

(ii) The landlord may only choose to not renew the lease if the tenant: committed one or more substantial violations of the lease; failed to provide required information on the income, composition, or eligibility of the tenant's household; or committed repeated minor violations of the lease that disrupt the livability of the Development, adversely affect the health and safety of any person or the right to quiet enjoyment of the leased premises and related Development facilities, interfere with the management of the Development, or have an adverse financial effect on the Development, including the failure of the tenant to pay rent in a timely manner.

(iii) To non-renew a lease, the landlord must serve a written notice of proposed nonrenewal on the tenant no later than the 30th day before the effective date of nonrenewal.

(iv) Tenants may not waive these protections in a lease or lease addendum.

(J) Income Restrictions. A Development seeking an ad valorem tax exemption must meet the requirements of either clause (i) or (ii) of this subparagraph.

(i) at least 10% of the residential units are reserved as Lower Income Housing Units and at least 40% of the residential units are reserved as Moderate-Income Housing Units or;

(ii) at least 10% of the residential units are reserved as Very Low-Income Housing Units and at least 40% of the residential units are reserved as Middle Income Housing Units.

(K) Rent Restrictions:

(i) Monthly Rent for Restricted Units may not exceed thirty percent (30%) of the imputed household income limitation for the unit, adjusted for family size, as determined by HUD. To determine the adjustment for family size, the Auditor will defer to the Development's Regulatory Agreement and/or other operative document.

In the event that the adjustment for family size is unclear, it is the responsibility of the HFC User to provide the Auditor support that the manner in which the adjustment was applied is acceptable by the HFC.

(ii) Notwithstanding the foregoing, if a Restricted Unit is occupied by a household with a Housing Choice Voucher, and the payment standard for that voucher is less than the monthly Rent for the Restricted Unit established pursuant to clause (i) of this subparagraph, the household may be required to pay the difference between the payment standard and the monthly Rent.

(L) Rent Reduction Comparison. It the sole responsibility of HFC User to:

(i) Identify the difference between the annual Rent charged for each Restricted Unit and the estimated annual Maximum Market Rent that could be charged for such units if they were not restricted. For Developments where all of the Units are Restricted Units, the HFC User must provide evidence of reasonably comparable Maximum Market Rents, which may be based on market studies, leasing surveys, Fair Market Rents as published by HUD, or other methods acceptable to the Department.

(ii) The Audit Report shall include the following public benefit test:

(I) The Rent Reduction for all Restricted Units at the Development in the preceding Tax Year must not be less than 50% of the amount of the estimated ad valorem taxes that would have been imposed on the Development in the same Tax Year if the Development did not receive the exemption.

(-a-) For a Development acquired by an HFC the first Audit Report that will include the rent reduction test is for the first Tax Year after the acquisition Tax Year. Example 1204(4): Development acquired by an HFC on July 24, 2025. The acquisition tax year would be 2025, and the second tax year after acquisition would be 2026, so the first Audit Report would be due on June 1, 2026. The first rent reduction test would be for Tax Year 2026 on Audit Report submitted June 1, 2027.

(-b-) For newly constructed Developments the first Audit Report that will include the rent reduction test for the first Tax Year after the Tax Year in which construction first begins. Example 1204(5): An Multifamily Residential Development begins new construction on February 1, 2026. The first tenant occupies the Development on September 15, 2027. The first Audit Report is due on June 1, 2028, and must include the rent reduction test for reporting year 2027.

(II) The Rent Reduction calculation for each Restricted Unit must be the difference between the Maximum Market Rent for the same Unit Type and the Rent on the rent roll for the Rent for the Restricted Unit. Restricted Units occupied by households with Housing Choice Vouchers or rental assistance will utilize the tenant-paid portion of the Rent for the Rent Reduction calculation. Units that are vacant for any portion of the Tax Year will be considered as follows for the for the purposes of the Rent Reduction calculation:

(-a-) for a Restricted Unit the maximum permitted Rent for such unit under the Regulatory Agreement will be utilized for all months of vacancy, and

(-b-) for any market rate unit the Maximum Market Rent that would be charged for that Unit Type will be utilized in the months that the Unit was vacant.

(III) If the Rent Reduction calculation demonstrates that the Rent Reduction was less than 50% of the amount of the estimated ad valorem taxes that would have been imposed on the Development for the Tax Year, the HFC User must pay each taxing jurisdiction(s) authorized to impose ad valorem taxes applicable to the

Development the pro rata share of the Rent Reduction shortfall; the pro rata amount will be based on each taxing authorities share of the combined aggregate published millage rate of all applicable taxing authorities. The Rent Reduction shortfall is an amount equal to 50% of the estimated ad valorem tax amount minus the total Rent Reduction for the Tax Year. The Auditor Report must include evidence of any payments made by the HFC User to each taxing jurisdiction(s) authorized to impose ad valorem taxes applicable to the Development.

(IV) In estimating the ad valorem taxes that would have been imposed, the HFC User may use, but is not limited to, the following:

(-a-) For occupied Developments acquired by an HFC, estimated ad valorem taxes should generally be based on the actual taxes applicable no earlier than the Tax Year prior to the acquisition by the HFC with a stated escalation factor.

(-b-) For occupied Developments acquired by an HFC which already receive a property tax exemption, estimated ad valorem taxes must be based on the public appraisal district value. In the event that the appraisal district does not provide a value, the following alternative valuation methods may be used: an independent appraisal, third-party property tax report, or other means acceptable to the Department.

(-c-) For new construction, estimated ad valorem taxes must be based on public appraisal district value. In the event that the appraisal district does not provide a value, the following alternative valuation methods may be used: an independent appraisal, third-party property tax report, or other means acceptable to the Department.

(4) A Development acquired by an HFC after May 28, 2025, must comply with all requirements in this Subchapter no later than the end of the Tax Year following the year of acquisition.

(5) The Auditor must maintain monitoring records and papers for each Audit Report for three years and must provide the Department and/or the Chief Appraiser a copy of their monitoring records upon request.

§10.1205. *Income and Rent Calculations.*

(a) Annual Income for a household occupying a Restricted Unit shall be determined consistent with the Section 8 Program administered by the U.S. Department of Housing and Urban Development (HUD), using the definitions of annual income described in 24 CFR §5.609 as further described in the HUD Handbook 4350.3 as amended from time to time by publication in the Federal Register.

(b) For purposes of determining income under this subparagraph, payments under section 403 of title 37, United States Code, as basic pay allowance for housing shall be disregarded with respect to any qualified building.

(1) The term "qualified building" means any building located:

(A) in any county in which is located a qualified military installation to which the number of members of the Armed Forces of the United States assigned to units based out of such qualified military installation, as of June 1, 2008, has increased by not less than 20 percent, as compared to such number on December 31, 2005, or

(B) in any county adjacent to a county described in subparagraph (A) of this paragraph.

(2) The term "qualified military installation" means any military installation or facility the number of members of the Armed Forces of the United States assigned to which, as of June 1, 2008, is not less than 1,000.

(c) Income and rent limits will be derived from data released by HUD.

(d) The income and rent limits specified in the Regulatory Agreement will be used to determine if a household's income and rent is restricted.

(e) To document compliance, HFC Users must maintain sufficient documentation to support income eligibility of households which includes an application that screens for all includable sources of income and assets, first hand or third party documentation of income and assets and an Income Certification form signed by all adults in the household.

§10.1206. *Penalties.*

Noncompliance with Sections 394.9026 and or 394.9027 of the Texas Local Government Code, or this Subchapter, continuing after all available notice and corrective action periods, will result in a Department report to the Texas Comptroller and Chief Appraiser, and recommendation of loss of the ad valorem exemption for the Development for the Tax Year in which the Development that is owned by a HFC is determined by the Department based on an Audit Report to not be in compliance with the requirements of Sections 394.9026 and 394.9027.

§10.1207. *Options for Review.*

(a) The HFC User must attempt to address any issues of non-compliance identified in the Audit Report with the Auditor, prior to submission of the Audit Report to the Department.

(b) During any applicable corrective action period, the HFC User may appeal any noncompliance issued as provided for in §1.7 of this title (relating to Appeals). The filing of an appeal does not extend or suspend the 180-day corrective action period, unless the Department authorizes an extension in writing. The HFC User and Auditor, as applicable, must provide all documentation requested by the Department within ten calendar days prior to the meeting.

(c) An HFC User may request alternative dispute resolution in accordance with the Department's rules regarding such resolution set forth at §1.17 of this title (relating to Alternative Dispute Resolution).

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 March 6, 2026.

TRD-202601123

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

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For further information, please call: (512) 475-3959



CHAPTER 20. SINGLE FAMILY PROGRAMS UMBRELLA RULE

10 TAC §20.4

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §20.4 Eligible Single Family Activities, which applies to the Single Family Programs Umbrella Rule, with changes to the proposed text published in the December 26, 2025 issue of the *Texas Register* (50 TexReg 8460). The rule will be republished. The purpose of the amendment is to specify how households receiving benefits through Single Family Programs will have those benefits determined based on the

household members' legal status. 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries outlines the requirement that all Single Family, Community Affairs and Homelessness programs subrecipients of the Department must confirm legal alien status for program participants in order to receive assistance. This is to ensure that an alien who is not a qualified alien does not receive a federal public benefit.

While §1.410 provides for the requirement to perform a review for alien status for program participants, it does not specify how each distinct Department program will calculate benefits based on those determinations, because each program is different enough in its eligible activities that such applicability needs to be tailored to the specific programs. The changes in this action provide that necessary specificity for the Single Family programs.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law.

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 amendment does not create or eliminate a government program but relates to changes to an existing activity: how benefits will be determined in a specific Department program as it relates to alien status and the implementation of 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries.
2. The amendment may require additional work that may create new employee positions, but those costs are federal eligible reimbursable expenses under the applicable program grants. The amendment does not generate a reduction in work that would eliminate any employee positions.
3. The amendment does not require additional future legislative appropriations.
4. The amendment will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amendment is not creating a new regulation, but clarifying an existing regulation.
6. The amendment does expand an existing regulation to provide additional requirements, however the expanded regulations are required to comply with federal law and to the extent applicable to state programs, brings state programs into consistency with federal law.
7. The amendment increases the number of individuals subject to the rule's applicability.
8. The amendment 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 amendment and determined that the amendment will not create an economic effect on small or micro-businesses or rural communities other than to the extent that such entities receive federal funds to operate Department programs subject to the rule. There may be several hundred entities in the state at any given time receiving funds for such programs. The added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal funds the entity is receiving for the applicable programs. No entities will bear any unreimbursable expenses to comply.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amendment 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 amendment as to its possible effects on local economies and has determined that for the first five years the amendment 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 amendment is in effect, the public benefit anticipated as a result of the changed section would be a rule that provides clarity in implementing

10 TAC §1.410 Determination of Alien Status for Program Beneficiaries. There may be limited economic costs to individuals required to comply with the amended section; a household that does not currently have access to documents that confirm their legal status may have to take steps to obtain copies of birth certificates, or other applicable documents and pay associated fees for those items.

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 amendment is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. The Department requested comments on the rule and also requested 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. Comment was received from six commenters: 1) Texas Appleseed, 2) El Paso Center for Children, 3) Texas Representative Mary E. Gonzalez, 4) Texas Housers, 5) Texas Council on Family Violence, and 6) Texas Homeless Network.

Comment Requesting for Rule to be Withdrawn.

Multiple commenters requested that the rule be withdrawn.

Commenters (1), (3), (4) and (6) point out that the US Department of Housing and Urban Development (HUD) has indicated

that further guidance will be released from both HUD and Department of Homeland Security (DHS) and believes it is appropriate for TDHCA to delay the adoption of this rulemaking until such expected federal HUD and DHS guidance is released.

Commenters (3), (4) and (6) note that the rules will undermine access to critical housing and homelessness services under the guise of immigration compliance and that application of these policies to the affected programs is unnecessary, burdensome and harmful to Texans in need. Commenter (4) observes that such policies would also negatively impact public health.

Commenter (1) notes that HUD had not yet issued an economic impact analysis of its guidance, and that in recent guidance the US Department of Health and Human Service (USHHS) did consider its redefining of a federal public benefit to be an economically significant regulatory action. Commenter (1) notes that they believe the amount estimated by USHHS (\$100 million nationally) is likely unrealistic and the cost would be higher. They question how TDHCA determined that there would be no economic impacts in the preambles to the rule. In their comment they describe several areas of potential costs including the costs to the households to obtain the required documentation, and the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule.

Commenters (1), (3), (4) and (6) are also concerned that the delays that will exist by having to obtain specific documentation will mean that households may be denied assistance, particularly with homeless assistance programs that are designed to address urgent and time-sensitive needs and in emergency rental assistance where a delay can result in an eviction. Commenter (4) expands on the issue of delays estimating that such verifications could take an average of 17 federal workdays.

Commenter (1) also notes that even when PRWORA was initially passed in 1996, it took several years to pass applicable rules and set up verification systems; state and local governments needed time to roll this out. They note that state and local governments should not be expected to produce verification systems that comply with regulations that do not yet exist. Commenters (3) and (4) note the administrative burden being placed on local governments, nonprofits and program operators that lack infrastructure and staffing to implement the processes.

Commenter (4) notes that according to the National Housing Law Project a benefit granting agency that improperly applies PRWORA's verification requirements could be subject to discrimination claims. They note that to their knowledge Texas is so far the only state to update rules ahead of additional guidance needed for implementation.

All of these reasons above support why commenters are requesting that the adoption of this rule be deferred until further federal guidance has been issued.

Staff Response: Staff does not recommend withdrawing or deferring the rule, as the federal guidance to date has provided sufficient guidance for the Department to proceed with this rule. While we do expect federal agencies may release further detail, we have already been directed through 2025 federal funding agreements and guidance to ensure the applicability of PRWORA. Should additional federal guidance be released that provides any greater specificity on how PRWORA should be applied to the programs, TDHCA will certainly become compliant with that guidance. The TDHCA rule changes are specific enough to reflect our adherence to the requirements of the federal funding agreements and to properly put program

participants on notice, but still provide sufficient leeway for further guidance to be issued to our program participants should federal guidance be forthcoming. Further, per the HUD notice of November 26, 2025, states are not relieved from the requirements to ensure that all relevant programs are in compliance with PWRORA. HUD places the burden on TDHCA to ensure compliance with PWRORA, even before "new guidelines" are issued by HUD. No change is recommended to the rule in response to this comment.

As it relates to the economic impact, TDHCA has revised this preamble to provide greater specificity on this issue. It should be noted that Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law. Further, as it relates to the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule, the added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal or state funds the entity is receiving for the applicable programs. No entities will bear any non-reimbursable expenses to comply.

Comment on the Applicability of the Rule to Survivors of Domestic Violence, Sexual Assault, Stalking, and/or Dating Violence:

Commenters (4), (5) and (6) commented that the proposed immigration and/or citizenship status verification requirements should not apply to survivors of domestic violence, sexual assault, stalking, and/or dating violence, as such requirements would conflict with the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA). They request that in line with recent changes made to 10 TAC §1.410 in response to public comment, the final version of these proposed rules must explicitly exempt verification requirements for populations covered by VAWA or FVPSA to protect survivors of family violence in accordance with federal law.

Commenter (5) notes that both Federal statutes prohibit denial of assistance based on immigration and/or citizenship status and impose strong confidentiality protections to ensure survivors can safely access critical services. These commenters concluded that the rule needs to provide an explicit exemption for VAWA and FVPSA covered populations within TDHCA-funded programs. Without explicit clarification, subrecipients may interpret the rule as requiring immigration status verification for survivors of violence, which violates Federal laws.

Commenters (5) and (6) also indicates that the Family Violence Prevention and Services Act (FVPSA), the Victims of Crime Act (VOCA), and the Violence Against Women Act (VAWA) all require those in receipt of funds (ex. family violence centers) to protect personally identifiable information obtained while seeking services. Each of these federal laws prohibit grantees from disclosing a survivor's personal identifying information, unless an exception applies, which the information laid out in this proposed rule is not. Specifically, VAWA/FVPSA make clear that identifying information about victims cannot be shared without a properly issued release from the survivor or a court order. Commenter (5) notes that conditioning victims' access to services on documentation would also have a chilling effect on service provision, deter survivors from seeking help, and conflict with programmatic obligations of confidentiality and safety planning. Commenter states

that federal law pertaining to victim-services statutes contain explicit non-discrimination protections that prohibit conditioning access to services. FVPSA requires that States and subgrantees "ensure that no person is denied services because of actual or perceived immigration status."

Commenters (5) and (6) also notes that the confidentiality provisions of VAWA and FVPSA prohibit covered programs from releasing personally identifying information without a signed and time limited release, court order, or statute requiring it and are prohibited from conditioning services on the signing of a release. Guidance from the Office on Violence Against Women (OVW) on VAWA instructs programs that these provisions apply to all operations of an entity that receives funding through OVW, even if that funding covers only a small part of their operations. The proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, which could be seen as violating the confidentiality provisions under VAWA for any covered program; and under Texas law, Chapter 93 of the Texas Family Code establishes privilege between an advocate and a crime victim, which similarly prohibits disclosure of personal information with very limited exceptions, and applies to public and private nonprofits that provide family violence services. Commenter relays that the proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, in violation of state law and these programs could be at risk of losing state funding.

Staff Response: Consistent with the changes made in 10 TAC §1.410 TDHCA will specify in the amended rule that the rule will not apply to VAWA or FVPSA covered populations, unless federal guidance requires it.

Exception for Nonprofits.

Commenter (5) requests that exemptions for nonprofit providers should be made because survivors routinely seek supportive nonprofit services and their information should be protected.

Staff Response: The exemption for VAWA or FVPSA covered populations will be applicable to partially address this issue. Previously, interpretations regarding the verification process for PRWORA may have indicated that private nonprofit subrecipients- because they do not have direct access to the SAVE system used for verification - did not have to confirm qualified alien status at all even for federal programs covered by PRWORA. However, while PRWORA does not mandate a private nonprofit entity conduct verification, there is nothing in the statute that prohibits such an entity from conducting verification. Therefore, the rule does require that all recipients of the subject programs will be required to comply with PRWORA, and all Administrators must participate in verification within the contours of the statute.

Administrators that are nonprofit entities- including those already subject to, but not performing verifications, such as AYBR and Bootstrap - will have three options: 1) To have the Department provide the verification, directly or through a third-party contractor, which would require the Administrator to gather and transmit - but not verify - the appropriate client level information and documentation; 2) To have the Administrator voluntarily agree to participate in using the SAVE system, which is the option that creates the least delay in providing services to the clients (this option is reliant on the Department being able to revise its contract with the Department of Homeland Security); or 3) To allow the Administrator to procure a separate party to perform such verification

services on their behalf. No changes are recommended to the rule in response to this comment. No change is recommended to the rule in response to this comment.

Request for Operational Guidance.

Commenter (2) requested that TDHCA provide detailed implementation guidance prior to enforcement, clearly describing what constitutes emergency situations, that requirements be aligned with federal ESG or HUD guidance. Commenter (2) requests additional clarification be made in the rule regarding the practical implementation and administrative requirements particularly for vulnerable households.

Commenter (2) asks that the amendment address Intake and eligibility workflows, including Coordinated Entry processes; Program participant file requirements and documentation standards; timeliness of assistance delivery; staff training and administrative capacity; data collection, privacy, and record retention obligations; what types of documents are acceptable; what documentation requirement will be applicable to victims of domestic trafficking or are former foster children who were never provided with copies of their birth certificates or other forms of identification; how mixed-status households should be handle; whether self-attestation will be allowed in limited or emergency circumstances; and how eligibility determinations should be documented for monitoring purposes.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide guidance as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. Federal guidance provides for what constitutes an emergency situation, but TDHCA will provide in materials, web posts, and training more granular guidance on this as well. TDHCA will also provide on its website and to subrecipients what types of documents are acceptable, what forms should be used for documenting the process has been followed, and how mixed-status households should be handled. Other than the exceptions that will be allowable for emergency assistance (federally excepted), and for populations excepted in the rule that are protected under VAWA or FVPSA, self-attestations will not be allowed. As for some of the other requested guidance, TDHCA will not guide - or limit - how any particular subrecipient decides to adjust their operations or processes to implement these requirements. For instance it is up to each subrecipient to decide how it will integrate this policy into intake and eligibility workflows and the coordinated entry process. No change is recommended to the rule in response to this comment.

Request for Phased Implementation.

Commenter (2) requests that a phased implementation period be provided after final adoption. They also requested additional funding to absorb the labor costs for additional administrative burden.

Staff Response: TDHCA is unable to phase the implementation of this rule. Upon its adoption, subrecipients will be required to implement and adhere to this rule. Current subrecipients may use their administrative funds under the awards they receive to cover the costs of implementing this rule, which are fully eligible costs. No change is recommended to the rule in response to this comment.

Concern for Barriers to Access.

Commenter (2) noted that they are concerned that the proposed changes could create barriers for individuals who are otherwise eligible for services but face challenges obtaining documenta-

tion due to homelessness, disability, trauma, or language barriers. They encourage TDHCA to include safeguards that ensure: Non-discriminatory intake practices and clear communication to participants about eligibility requirements.

Staff Response: All subrecipients have the ability to institute non-discriminatory intake practices, and provide clear communication to participants about eligibility requirements. No change is recommended to the rule in response to this comment.

Appeals.

Commenter (4) notes that the rule says appeals will be addressed through each program's rules, but they did not see that the rules address the need for an appeals process specific to legal status verification.

Staff Response: Staff will add to the rule a requirement that each subrecipient must offer an opportunity for a household to appeal a legal status determination consistent with the appeals policy they utilize for other household eligibility appeals processes.

Training and Technical Assistance.

Commenter (2) requested that TDHCA offer technical assistance and written FAQs for subrecipients, and that TDHCA clearly outline monitoring expectations related to §1.410 compliance.

Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide training and technical assistance, including monitoring expectations, as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. No change is recommended to the rule in response to this comment.

Conditional Assistance.

Commenter (2) requests that in light of delays that are experienced in seeking documentation from households, TDHCA allow conditional or temporary assistance while documentation is obtained.

Staff Response: Benefits under these rules are not permitted to be provided to persons without PRWORA eligibility, including temporary or conditional assistance. No change is recommended to the rule in response to this comment.

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

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

§20.4. Eligible Single Family Activities.

(a) Availability of funding for and specific Program requirements related to the Activities described in subsection (b)(1) - (7) of this section are defined in each Program's Rules.

(b) Activity Types for eligible single family housing Activities include the following, as allowed by the Program Rule or NOFA:

- (1) Rehabilitation or new construction of Single Family Housing Units;
- (2) Reconstruction of an existing Single Family Housing Unit on the same site;
- (3) Replacement of existing owner-occupied housing with a new MHU;
- (4) Acquisition of Single Family Housing Units, including acquisition with rehabilitation and accessibility modifications;

(5) Refinance of an existing Mortgage or Contract for Deed mortgage;

(6) Tenant-based rental assistance; and

(7) Any other single family Activity as determined by the Department.

(c) Implementation of Single Family Activities are subject to §1.410 of this Part (relating to Determination of Alien Status for Program Beneficiaries).

(1) For Tenant-based rental assistance, each Household member must be evaluated prior to submission of the activity to the Department for review in accordance with §1.410 of this Part (relating to Determination of Alien Status for Program Beneficiaries). Assistance for mixed status Households must be prorated utilizing the method for proration of assistance described in 24 CFR §5.520(c)(2) related to prorated assistance for a Section 8 Housing Choice Voucher tenancy.

(2) For assistance provided as an area benefit or limited clientele activity under the Colonia Self-Help Centers Program related to CDBG, area benefit activities and limited clientele activities are exempt from the verification requirements in §1.410 of this Part (relating to Determination of Alien Status for Program Beneficiaries) as individual eligibility is not required to be established for these Activity types.

(3) For any other single family housing Activity, any Household member who has or will have an ownership interest in the assisted housing upon completion of the Activity must be verified to be eligible in accordance with §1.410 of this Part (relating to Determination of Alien Status for Program Beneficiaries), prior to submission of the Activity to the Department for review.

(4) Populations that are documented by the Administrator as covered by the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act (FVPSA) are excepted from having verification under this rule performed, unless required to do so under federal guidance.

(5) Administrators must include in their operational processes a means by which a household may appeal a determination of their eligibility 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 March 6, 2026.

TRD-202601120

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Effective date: March 26, 2026

Proposal publication date: December 26, 2025

For further information, please call: (512) 475-3959



10 TAC §20.6

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §20.6 Administrator Applicant Eligibility, which applies to the Single Family Programs Umbrella Rule, without changes to the text published in the December 26, 2025 issue of the *Texas Register* (50 TexReg 8462). The rule will not be republished. The purpose of the amendment is to

specify how households receiving benefits through Single Family Programs will have those benefits determined based on the household members' legal status. 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries outlines the requirement that all Single Family, Community Affairs and Homelessness programs subrecipients of the Department must confirm legal alien status for program participants in order to receive assistance. This is to ensure that an alien who is not a qualified alien does not receive a federal public benefit.

While §1.410 provides for the requirement to perform a review for alien status for program participants, it does not specify how each distinct Department program will calculate benefits based on those determinations, because each program is different enough in its eligible activities that such applicability needs to be tailored to the specific programs. The changes in this action provide that necessary specificity for the Single Family programs.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law.

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 amendment does not create or eliminate a government program but relates to changes to an existing activity: how benefits will be determined in a specific Department program as it relates to alien status and the implementation of 10 TAC §1.410 Determination of Alien Status for Program Beneficiaries.
2. The amendment may require additional work that may create new employee positions, but those costs are federal eligibly reimbursable expenses under the applicable program grants. The amendment does not generate a reduction in work that would eliminate any employee positions.
3. The amendment does not require additional future legislative appropriations.
4. The amendment will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amendment is not creating a new regulation, but clarifying an existing regulation.
6. The amendment does expand an existing regulation to provide additional requirements, however the expanded regulations are required to comply with federal law and to the extent applicable to state programs, brings state programs into consistency with federal law.
7. The amendment increases the number of individuals subject to the rule's applicability.
8. The amendment will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REG-

ULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the amendment and determined that the amendment will not create an economic effect on small or micro-businesses or rural communities other than to the extent that such entities receive federal funds to operate Department programs subject to the rule. There may be several hundred entities in the state at any given time receiving funds for such programs. The added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal funds the entity is receiving for the applicable programs. No entities will bear any unreimbursable expenses to comply.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amendment 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 amendment as to its possible effects on local economies and has determined that for the first five years the amendment 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 amendment is in effect, the public benefit anticipated as a result of the changed section would be a rule that provides clarity in implementing

10 TAC §1.410 Determination of Alien Status for Program Beneficiaries. There may be limited economic costs to individuals required to comply with the amended section; a household that does not currently have access to documents that confirm their legal status may have to take steps to obtain copies of birth certificates, or other applicable documents and pay associated fees for those items.

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 amendment is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. The Department requested comments on the rule and also requested 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 was held December 26, 2025, to January 26, 2026, to receive input on the proposed action. Comment was received from six commenters: 1) Texas Appleseed, 2) El Paso Center for Children, 3) Texas Representative Mary E. Gonzalez, 4) Texas Housers, 5) Texas Council on Family Violence, and 6) Texas Homeless Network.

Comment Requesting for Rule to be Withdrawn.

Multiple commenters requested that the rule be withdrawn.

Commenters (1), (3), (4) and (6) point out that the US Department of Housing and Urban Development (HUD) has indicated that further guidance will be released from both HUD and Department of Homeland Security (DHS) and believes it is appropriate for TDHCA to delay the adoption of this rulemaking until such expected federal HUD and DHS guidance is released.

Commenters (3), (4) and (6) note that the rules will undermine access to critical housing and homelessness services under the guise of immigration compliance and that application of these policies to the affected programs is unnecessary, burdensome and harmful to Texans in need. Commenter (4) observes that such policies would also negatively impact public health.

Commenter (1) notes that HUD had not yet issued an economic impact analysis of its guidance, and that in recent guidance the US Department of Health and Human Service (USHHS) did consider its redefining of a federal public benefit to be an economically significant regulatory action. Commenter (1) notes that they believe the amount estimated by USHHS (\$100 million nationally) is likely unrealistic and the cost would be higher. They question how TDHCA determined that there would be no economic impacts in the preambles to the rule. In their comment they describe several areas of potential costs including the costs to the households to obtain the required documentation, and the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule.

Commenters (1), (3), (4) and (6) are also concerned that the delays that will exist by having to obtain specific documentation will mean that households may be denied assistance, particularly with homeless assistance programs that are designed to address urgent and time-sensitive needs and in emergency rental assistance where a delay can result in an eviction. Commenter (4) expands on the issue of delays estimating that such verifications could take an average of 17 federal workdays.

Commenter (1) also notes that even when PRWORA was initially passed in 1996, it took several years to pass applicable rules and set up verification systems; state and local governments needed time to roll this out. They note that state and local governments should not be expected to produce verification systems that comply with regulations that do not yet exist. Commenters (3) and (4) note the administrative burden being placed on local governments, nonprofits and program operators that lack infrastructure and staffing to implement the processes.

Commenter (4) notes that according to the National Housing Law Project a benefit granting agency that improperly applies PRWORA's verification requirements could be subject to discrimination claims. They note that to their knowledge Texas is so far the only state to update rules ahead of additional guidance needed for implementation.

All of these reasons above support why commenters are requesting that the adoption of this rule be deferred until further federal guidance has been issued.

Staff Response: Staff does not recommend withdrawing or deferring the rule, as the federal guidance to date has provided sufficient guidance for the Department to proceed with this rule. While we do expect federal agencies may release further detail, we have already been directed through 2025 federal funding agreements and guidance to ensure the applicability of PRWORA. Should additional federal guidance be released that provides any greater specificity on how PRWORA should

be applied to the programs, TDHCA will certainly become compliant with that guidance. The TDHCA rule changes are specific enough to reflect our adherence to the requirements of the federal funding agreements and to properly put program participants on notice, but still provide sufficient leeway for further guidance to be issued to our program participants should federal guidance be forthcoming. Further, per the HUD notice of November 26, 2025, states are not relieved from the requirements to ensure that all relevant programs are in compliance with PWRORA. HUD places the burden on TDHCA to ensure compliance with PWRORA, even before "new guidelines" are issued by HUD. No change is recommended to the rule in response to this comment.

As it relates to the economic impact, TDHCA has revised this preamble to provide greater specificity on this issue. It should be noted that Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law. Further, as it relates to the costs to the organizations in time and resources to check for legal status documentation and otherwise implement the rule, the added work associated with checking for the required documents is expected to be minimal, as household documents are being gathered during an eligibility review already. However, to the extent that there are additional costs, all of those costs are eligible reimbursable administrative expenses from the federal or state funds the entity is receiving for the applicable programs. No entities will bear any non-reimbursable expenses to comply.

Comment on the Applicability of the Rule to Survivors of Domestic Violence, Sexual Assault, Stalking, and/or Dating Violence:

Commenters (4), (5) and (6) commented that the proposed immigration and/or citizenship status verification requirements should not apply to survivors of domestic violence, sexual assault, stalking, and/or dating violence, as such requirements would conflict with the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA). They request that in line with recent changes made to 10 TAC §1.410 in response to public comment, the final version of these proposed rules must explicitly exempt verification requirements for populations covered by VAWA or FVPSA to protect survivors of family violence in accordance with federal law.

Commenter (5) notes that both Federal statutes prohibit denial of assistance based on immigration and/or citizenship status and impose strong confidentiality protections to ensure survivors can safely access critical services. These commenters concluded that the rule needs to provide an explicit exemption for VAWA and FVPSA covered populations within TDHCA-funded programs. Without explicit clarification, subrecipients may interpret the rule as requiring immigration status verification for survivors of violence, which violates Federal laws.

Commenters (5) and (6) also indicates that the Family Violence Prevention and Services Act (FVPSA), the Victims of Crime Act (VOCA), and the Violence Against Women Act (VAWA) all require those in receipt of funds (ex. family violence centers) to protect personally identifiable information obtained while seeking services. Each of these federal laws prohibit grantees from disclosing a survivor's personal identifying information, unless an exception applies, which the information laid out in this proposed rule is not. Specifically, VAWA/FVPSA make clear that identifying information about victims cannot be shared without a properly issued release from the survivor or a court order. Commenter (5)

notes that conditioning victims' access to services on documentation would also have a chilling effect on service provision, deter survivors from seeking help, and conflict with programmatic obligations of confidentiality and safety planning. Commenter states that federal law pertaining to victim-services statutes contain explicit non-discrimination protections that prohibit conditioning access to services. FVPSA requires that States and subgrantees "ensure that no person is denied services because of actual or perceived immigration status."

Commenters (5) and (6) also notes that the confidentiality provisions of VAWA and FVPSA prohibit covered programs from releasing personally identifying information without a signed and time limited release, court order, or statute requiring it and are prohibited from conditioning services on the signing of a release. Guidance from the Office on Violence Against Women (OVW) on VAWA instructs programs that these provisions apply to all operations of an entity that receives funding through OVW, even if that funding covers only a small part of their operations. The proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, which could be seen as violating the confidentiality provisions under VAWA for any covered program; and under Texas law, Chapter 93 of the Texas Family Code establishes privilege between an advocate and a crime victim, which similarly prohibits disclosure of personal information with very limited exceptions, and applies to public and private nonprofits that provide family violence services. Commenter relays that the proposed TDHCA rule would require covered programs to provide personally identifying information to TDHCA or a vendor for purposes of eligibility verification, in violation of state law and these programs could be at risk of losing state funding.

Staff Response: Consistent with the changes made in 10 TAC §1.410 TDHCA will specify in the amended rule that the rule will not apply to VAWA or FVPSA covered populations, unless federal guidance requires it.

Exception for Nonprofits.

Commenter (5) requests that exemptions for nonprofit providers should be made because survivors routinely seek supportive nonprofit services and their information should be protected.

Staff Response: The exemption for VAWA or FVPSA covered populations will be applicable to partially address this issue. Previously, interpretations regarding the verification process for PRWORA may have indicated that private nonprofit subrecipients - because they do not have direct access to the SAVE system used for verification - did not have to confirm qualified alien status at all even for federal programs covered by PRWORA. However, while PRWORA does not mandate a private nonprofit entity conduct verification, there is nothing in the statute that prohibits such an entity from conducting verification. Therefore, the rule does require that all recipients of the subject programs will be required to comply with PRWORA, and all Administrators must participate in verification within the contours of the statute.

Administrators that are nonprofit entities - including those already subject to, but not performing verifications, such as AYBR and Bootstrap - will have three options: 1) To have the Department provide the verification, directly or through a third-party contractor, which would require the Administrator to gather and transmit - but not verify - the appropriate client level information and documentation; 2) To have the Administrator voluntarily agree to participate in using the SAVE system, which is the

option that creates the least delay in providing services to the clients (this option is reliant on the Department being able to revise its contract with the Department of Homeland Security); or 3) To allow the Administrator to procure a separate party to perform such verification services on their behalf. No changes are recommended to the rule in response to this comment. No change is recommended to the rule in response to this comment.

Request for Operational Guidance.

Commenter (2) requested that TDHCA provide detailed implementation guidance prior to enforcement, clearly describing what constitutes emergency situations, that requirements be aligned with federal ESG or HUD guidance. Commenter (2) requests additional clarification be made in the rule regarding the practical implementation and administrative requirements particularly for vulnerable households.

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Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide guidance as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. Federal guidance provides for what constitutes an emergency situation, but TDHCA will provide in materials, web posts, and training more granular guidance on this as well. TDHCA will also provide on its website and to subrecipients what types of documents are acceptable, what forms should be used for documenting the process has been followed, and how mixed-status households should be handled. Other than the exceptions that will be allowable for emergency assistance (federally excepted), and for populations excepted in the rule that are protected under VAWA or FVPSA, self-attestations will not be allowed. As for some of the other requested guidance, TDHCA will not guide - or limit - how any particular subrecipient decides to adjust their operations or processes to implement these requirements. For instance it is up to each subrecipient to decide how it will integrate this policy into intake and eligibility workflows and the coordinated entry process. No change is recommended to the rule in response to this comment.

Request for Phased Implementation.

Commenter (2) requests that a phased implementation period be provided after final adoption. They also requested additional funding to absorb the labor costs for additional administrative burden.

Staff Response: TDHCA is unable to phase the implementation of this rule. Upon its adoption, subrecipients will be required to implement and adhere to this rule. Current subrecipients may use their administrative funds under the awards they receive to cover the costs of implementing this rule, which are fully eligible costs. No change is recommended to the rule in response to this comment.

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Commenter (2) noted that they are concerned that the proposed changes could create barriers for individuals who are otherwise eligible for services but face challenges obtaining documentation due to homelessness, disability, trauma, or language barriers. They encourage TDHCA to include safeguards that ensure: Non-discriminatory intake practices and clear communication to participants about eligibility requirements.

Staff Response: All subrecipients have the ability to institute non-discriminatory intake practices, and provide clear communication to participants about eligibility requirements. No change is recommended to the rule in response to this comment.

Appeals.

Commenter (4) notes that the rule says appeals will be addressed through each program's rules, but they did not see that the rules address the need for an appeals process specific to legal status verification.

Staff Response: Staff will add to the rule a requirement that each subrecipient must offer an opportunity for a household to appeal a legal status determination consistent with the appeals policy they utilize for other household eligibility appeals processes.

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Staff Response: TDHCA is committed to making the implementation of this rule as clear as possible and will provide training and technical assistance, including monitoring expectations, as the rule is implemented, and thereafter, to facilitate subrecipients ability to adhere to the rule. No change is recommended to the rule in response to this comment.

Conditional Assistance.

Commenter (2) requests that in light of delays that are experienced in seeking documentation from households, TDHCA allow conditional or temporary assistance while documentation is obtained.

Staff Response: Benefits under these rules are not permitted to be provided to persons without PRWORA eligibility, including temporary or conditional assistance. No change is recommended to the rule in response to this comment.

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

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

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 March 6, 2026.

TRD-202601121

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Effective date: March 26, 2026

Proposal publication date: December 26, 2025

For further information, please call: (512) 475-3959

TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 97. PLANNING AND ACCOUNTABILITY

SUBCHAPTER AA. ACCOUNTABILITY AND PERFORMANCE MONITORING

19 TAC §97.1001

(Editor's note: In accordance with Texas Government Code, §2002.014, which permits the omission of material which is "cumbersome, expensive, or otherwise inexpedient," the figure in 19 TAC §97.1001(b) is not included in the print version of the Texas Register. The figure is available in the on-line version of the March 20, 2026, issue of the Texas Register.)

The Texas Education Agency (TEA) adopts an amendment to §97.1001, concerning the accountability rating system. The amendment is adopted with changes to the proposed text as published in the December 12, 2025 issue of the *Texas Register* (50 TexReg 7967) and will be republished. The amendment adopts in rule applicable excerpts of the *2027 Accountability Manual*, which include provisions to implement House Bill (HB) 6, 89th Texas Legislature, Regular Session, 2025. Earlier versions of the manuals will remain in effect with respect to the school years for which they were developed.

REASONED JUSTIFICATION: TEA has adopted its academic accountability manual in rule since 2000 under §97.1001. The accountability system evolves from year to year, so the criteria and standards for rating and acknowledging schools in the most current year differ to some degree from those applied in the prior year.

The amendment to §97.1001 adopts excerpts of the *2027 Accountability Manual* into rule as a figure. The excerpts, Chapters 1-12 of the *2027 Accountability Manual*, specify the indicators, standards, and procedures used by the commissioner to determine accountability ratings for districts, campuses, and charter schools. These chapters also specify indicators, standards, and procedures used to determine distinction designations on additional indicators for Texas public-school campuses and districts. Chapter 12 describes the specific criteria and calculations that will be used to assign 2027 Results Driven Accountability (RDA) performance levels. Ratings may be revised as a result of investigative activities by the commissioner as authorized under Texas Education Code (TEC), §39.056 and §39.003.

Following is a chapter-by-chapter summary of the changes for this year's manual. In every chapter, dates and years for which data are considered were updated to align with 2027 accountability and RDA. Edits for clarity regarding consistent language and terminology throughout each chapter are embedded within the proposed *2027 Accountability Manual*.

Chapter 1 gives an overview of the entire accountability system. The "Who is Rated?" section has been adjusted to include the new the Public Education Information Management System (PEIMS) Fall Enrollment Submission, which begins in the 2026-2027 school year. Language was adjusted to reflect four years of data for indicators related to earning an industry-based certification (IBC), dual credit, or an associate degree. The description of the Data Validation System was revised to highlight its role in ensuring education-related programs are implemented with fidelity. Clarification was added at adoption on page 5 to specify that adult charter high schools authorized under TEC, Chapter 12, Subchapter G, are excluded from A-F ratings. PEIMS data language was added at adoption on page 10 to align with statutory changes enacted by HB 8, 89th Legislature, 2nd Called Session, 2025. HB 8 requires TEA to establish processes for the submission and correction of prior-year PEIMS data for accountability purposes.

Chapter 2 describes the "Student Achievement" domain. The College, Career, and Military Readiness component was clarified, including updates to dual course credit criteria and definitions for Level I and Level II certificates. New language was added to outline requirements for dual credit courses, including curriculum crosswalks and annual memorandums of understanding between districts and partnering institutions of higher education. Language was added to reflect updated requirements for IBCs and Programs of Study.

Chapter 3 describes the "School Progress" domain. The Part A: Academic Growth: Annual Growth-Methodology section was revised to clarify annual growth methodology by explicitly stating eligibility rules for the State of Texas Assessments of Academic Readiness (STAAR®) and STAAR® Alternate 2 assessments, adding exclusions for certain score codes and specifying how growth is measured across grade levels and language transitions. Based on public comment, clarification was added at adoption on page 30 to specify that if a student completes English I and English II in the same year, the English to English II growth measure will be applied instead of relying on a prior-year STAAR® result.

Chapter 4 describes the "Closing the Gaps" domain. References to "migrant" were changed to "migratory" to align with TEA guidelines. Language was added to clarify that when a student group meets minimum size but lacks prior-year data or was measured with small numbers analysis, the campus cannot earn one or two points for that component in the current year. The methodology for Academic Achievement-Minimum Size Criteria and Small Numbers Analysis was clarified.

Chapter 5 describes how the overall ratings are calculated. No major changes were made beyond updates for year references.

Chapter 6 describes distinction designations. No major changes were made beyond updates for terminology and year references.

Chapter 7 describes the pairing process and the alternative education accountability (AEA) provisions. Language was added to clarify that paired data from the Closing the Gaps domain are used for School Improvement identification. The phrase "charter school campuses" was removed and replaced with "all" at adoption on page 76 to clarify AEA pairing rules. Language was added at adoption on page 78 to specify that adult charter high schools authorized under TEC, Chapter 12, Subchapter G, are rated using the performance framework adopted specifically for these schools. A correction was made at adoption on page 81,

updating "Closing the Gaps School Progress Domain" to "School Progress Domain."

Chapter 8 describes the process for appealing ratings. Language was added to clarify that campuses cannot appeal identification for comprehensive, targeted, or additional targeted support interventions, but a granted Closing the Gaps appeal can update identification. Additionally, new language for Local Accountability System (LAS) appeals was introduced, effective in 2027, along with clarifications on general considerations and the appeals submission process. Based on public comment, clarification was added at adoption on page 86 to specify acceptable formats for superintendent signatures and the minimum requirements for letterhead.

Chapter 9 describes the responsibilities of TEA, the responsibilities of school districts and open-enrollment charter schools, and the consequences to school districts and open-enrollment charter schools related to accountability and interventions. Language was added to move the campus number request deadline from September 1 to May 31 in alignment with anticipated changes to 19 TAC §97.1066. Language was added at adoption on page 93 to address the responsibilities and consequences for adult charter high schools in TEC, §12.262. Language was also added at adoption on pages 94-95 to clarify campus closure requirements and county-district-campus number (CDCN) reassignment, aligning with anticipated changes to §97.1066.

Chapter 10 provides information on the federally required identification of schools for improvement. The Overview section was updated to clarify the Every Student Succeeds Act (ESSA) alignment for school improvement identification, adding language specifying that campuses paired for state accountability fulfill ESSA requirements for Comprehensive Support and Improvement, Targeted Support and Improvement, and Additional Targeted Support identifications.

Chapter 11 describes LAS. The LAS Appeals section was revised to reference the state accountability appeals process in Chapter 8, including appeal steps for LAS and state ratings.

Chapter 12 describes the RDA system. HB 6, 89th Texas Legislature, Regular Session, 2025 changes were implemented, including the removal of performance level (PL) assignments for discipline indicators and the exclusion of those indicators from determination-level calculations. The federally required significant disproportionality risk ratio threshold has been adjusted from 2.5 to 3.0. Additionally, indicator names were fully updated in accordance with the requirements of the prior 2026 chapter, including revised terminology to "Alternative Methods." Based on public comment, language was added at adoption on page 106 to provide for inclusion of PLs for special education discipline as report only measures. Clarifying edits were made at adoption on pages 105 and 124-125 to ensure consistent use of the terms "bilingual education" and "bilingual program."

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began December 12, 2025, and ended January 12, 2026. Following is a summary of the public comments received and agency responses.

General Feedback

Comment: The Texas Center for State Accountability (TXCSA) and Texas School Alliance (TSA) expressed appreciation for the inclusion of specific years or current years for describing data that ensures clarity and consistency for all stakeholders.

Response: The agency agrees that including specific years provides clarity and consistency.

Comment: TXCSA and TSA expressed support for the additional details included in the *2027 Accountability Manual* regarding the dual course credit process and the references to industry-based certification versions by year.

Response: The agency agrees that including these additional details provides meaningful clarification and practical guidance for district and charter staff.

Comment: TXCSA and TSA expressed support for the change indicating that federal identification labels can be updated following a successful Closing the Gaps appeal.

Response: The agency agrees that this clarification ensures districts and charter schools understand that federal identification labels can be updated when a Closing the Gaps appeal is granted.

Edits for Clarification

Comment: TXCSA and TSA recommended retaining the term "migrant" within the highly mobile student category.

Response: The agency disagrees. The US Department of Education (USDE) updated the definition of a migrant child and the terminology used in the ESSA, Title 1, Chapter 3, from "education of migrant children" to "education of migratory children." The accountability system and the Texas Education Data Standards have updated the terminology from "migrant" to "migratory" to align terminology with federal legislation.

School Progress Domain

Comment: TXCSA and TSA requested that the proposed statement describing the English II growth calculations be revised to specify whether a student's growth should be determined using the prior year's Grade 8 STAAR® assessment to English I end-of-course (EOC) assessment and/or the current year English I to English II EOC assessment in cases when a student takes English I and II during the same school year.

Response: The agency agrees and has made a clarifying edit in Chapter 3 on page 30 to specify that when a student completes English I and English II within the same year, only the English I to English II growth measure will be used to measure academic growth, not a prior year STAAR® assessment.

Closing the Gaps Targets

Comment: Disability Rights Texas noted that specific methodology used to calculate Closing the Gaps targets is not publicly documented in the manual and requested opportunities for meaningful stakeholder engagement for developing recommendations related to the special education Closing the Gaps targets.

Response: The agency disagrees with including the methodology for calculating Closing the Gaps targets in the accountability manual, as this information is currently published and approved by the USDE in the state's ESSA consolidated plan. However, TEA agrees to work with stakeholders to explore additional communications resources.

District and Campus Ratings

Comment: TXCSA suggested removing the "Campus Overall Ratings 3Ds Rule" and "Campus Overall Ratings 3Fs Rule."

Response: The agency disagrees. The D and F requirements are aligned with the redefinition of acceptable and unacceptable performance in Senate Bill 1365, 87th Texas Legislature, Regular Session, 2021. This consideration for the 2028 accountability refresh cycle was discussed with, and rejected by, the Texas Accountability Advisory Group.

Appeals Process

Comment: TXCSA and TSA requested clarification regarding acceptable forms of superintendent signatures and minimum requirements for letterhead.

Response: The agency agrees that clarification is needed and has made an edit in Chapter 8 on page 86 to indicate that a digital signature can be accepted on official district or charter school letterhead.

Campus Closures

Comment: TXCSA and TSA recommended that TEA maintain the June 30 deadlines as outlined in 19 TAC §97.1066 for districts to complete all outlined compliance requirements.

Response: The agency disagrees. Campus closure decisions should not be based solely on accountability ratings, and the updated May 31 deadline provides districts with adequate time for community engagement and summer planning to support an orderly transition. Changes to §97.1066 are anticipated to be in effect during the summer of 2026 and are, therefore, appropriately reflected in the *2027 Accountability Manual*.

Pairing Campus for Federal Identification Purposes

Comment: TXCSA and TSA requested that paired campuses be identified for federal identification purposes without requiring the implementation of school improvement provisions, noting that without a district-level federal identification process in place, this approach could unintentionally encourage districts to pair non-STAAR®-grade campuses with the district rather than with another campus.

Response: The agency disagrees, as school improvement requirements for paired campuses are beyond the scope of the current rule proposal.

Results-Driven Accountability (RDA)

Comment: TXCSA and TSA requested to include student-level data lists including student identification number, name, demographics, program information, campus number, and student outcome for each indicator in RDA.

Response: The agency disagrees, as this request for a student listing report is beyond the scope of the proposal.

Comment: TXCSA and TSA requested that the term "emergent bilingual education" be used to more accurately reflect the student population served across multiple instructional program models, noting that replacing "bilingual education/English as a second language/emergent bilingual" with "bilingual education" does not accurately represent the full range of students served.

Response: The agency disagrees, as the term "bilingual education" was adopted in the *2026 Accountability Manual* and is consistent with other administrative rules, including 19 TAC §89.1201(a), which defines the state's policy for educating emergent bilingual students and specifies that they shall be provided the opportunity to participate in "bilingual education, to include bilingual and English as a second language (ESL) programs."

Comment: TXCSA, TSA, and Disability Rights Texas recommended continuing to report PLs for special education discipline as report-only measures.

Response: The agency agrees and has added a clarifying edit in Chapter 12 on page 106 to provide for inclusion of PLs for special education discipline as report-only measures.

Comment: TXCSA and TSA suggested expanding the RDA section to include RDA-specific guides, intervention requirements, and submission calendars that are currently available on the RDA web page. They also suggested maintaining the "Monitoring Interventions" section from page 124 and including new changes, such as the new DL 4 special education calculation.

Response: The agency disagrees, as the guides, calendars, and web page materials are outside the scope of the proposal.

Accountability Releases

Comment: TXCSA and TSA recommended including Appendix H in all future rulemaking processes.

Response: The agency disagrees with making this change. Appendices are not part of the rule text adopted under §97.1001 and, therefore, are not included in the rulemaking process. The appendices will be published as soon as feasible after the adoption of the 2027 manual.

Comment: TXCSA and TSA requested that TEA publish preliminary reports such as the Texas Academic Performance Reports (TAPR) and the Texas Performance Reporting System (TPRS) prior to finalizing the data after the appeals process.

Response: The agency disagrees, as the reporting calendars of TAPR and TPRS are outside the scope of the proposal.

2028 Accountability

Comment: A district administrator expressed concerns about the cost of additional assessments required for the 2028 accountability system due to the implementation of through-year testing under House Bill 8, 89th Texas Legislature, 2nd Called Session, 2025. The individual recommended that the state cover the testing cost.

Response: The agency disagrees, as through-year testing is outside the scope of the proposal.

STATUTORY AUTHORITY. The amendment is adopted under Texas Education Code, §7.021(b)(1), which authorizes TEA to administer and monitor compliance with education programs required by federal or state law, including federal funding and state funding for those programs; TEC, §7.028, which authorizes TEA to monitor as necessary to ensure school district and charter school compliance with federal law and regulations, financial integrity, and data integrity and authorizes the agency to monitor school district and charter schools through its investigative process. TEC, §7.028(a), authorizes TEA to monitor special education programs for compliance with state and federal laws; TEC, §12.056, which requires that a campus or program for which a charter is granted under TEC, Chapter 12, Subchapter C, is subject to any prohibition relating to PEIMS to the extent necessary to monitor compliance with TEC, Chapter 12, Subchapter C, as determined by the commissioner; high school graduation under TEC, §28.025; special education programs under TEC, Chapter 29, Subchapter A; bilingual education under TEC, Chapter 29, Subchapter B; and public school accountability under TEC, Chapter 39, Subchapters B, C, D, F, and J, and Chapter 39A; TEC, §12.104, which states

that a charter granted under TEC, Chapter 12, Subchapter D, is subject to a prohibition, restriction, or requirement, as applicable, imposed by TEC, Title 2, or a rule adopted under TEC, Title 2, relating to PEIMS to the extent necessary to monitor compliance with TEC, Chapter 12, Subchapter D, as determined by the commissioner; high school graduation requirements under TEC, §28.025; special education programs under TEC, Chapter 29, Subchapter A; bilingual education under TEC, Chapter 29, Subchapter B; discipline management practices or behavior management techniques under TEC, §37.0021; public school accountability under TEC, Chapter 39, Subchapters B, C, D, F, G, and J, and Chapter 39A; and intensive programs of instruction under TEC, §28.0213; TEC, §29.001, which authorizes TEA to effectively monitor all local educational agencies (LEAs) to ensure that rules relating to the delivery of services to children with disabilities are applied in a consistent and uniform manner, to ensure that LEAs are complying with those rules, and to ensure that specific reports filed by LEAs are accurate and complete; TEC, §29.0011(b), which authorizes TEA to meet the requirements under (1) 20 U.S.C. §1418(d) and its implementing regulations to collect and examine data to determine whether significant disproportionality based on race or ethnicity is occurring in the state and in the school districts and open-enrollment charter schools in the state with respect to the (a) identification of children as children with disabilities, including the identification of children as children with particular impairments; (b) placement of children with disabilities in particular educational settings; and (c) incidence, duration, and type of disciplinary actions taken against children with disabilities including suspensions or expulsions; or (2) 20 U.S.C. §1416(a)(3)(C) and its implementing regulations to address in the statewide plan the percentage of schools with disproportionate representation of racial and ethnic groups in special education and related services and in specific disability categories that results from inappropriate identification; TEC, §29.010(a), which authorizes TEA to adopt and implement a comprehensive system for monitoring LEA compliance with federal and state laws relating to special education, including ongoing analysis of LEA special education data; TEC, §29.062, which authorizes TEA to evaluate and monitor the effectiveness of LEA programs and apply sanctions concerning emergent bilingual students; TEC, §29.066, which authorizes PEIMS reporting requirements for school districts that are required to offer bilingual education or special language programs to include the following information in the district's PEIMS report (1) demographic information, as determined by the commissioner, on students enrolled in district bilingual education or special language programs; (2) the number and percentage of students enrolled in each instructional model of a bilingual education or special language program offered by the district; and (3) the number and percentage of emergent bilingual students who do not receive specialized instruction; TEC, §29.081(e), (e-1), and (e-2), which define criteria for alternative education programs for students at risk of dropping out of school and subjects those campuses to the performance indicators and accountability standards adopted for alternative education programs; TEC, §29.201 and §29.202, which describe the Public Education Grant program and eligibility requirements; TEC, §39.003 and §39.004, which authorize the commissioner to adopt procedures relating to special investigations. TEC, §39.003(d), allows the commissioner to take appropriate action under Chapter 39A, to lower the district's accreditation status or the district's or campus's accountability rating based on the results of the special investigation; TEC, §39.051 and §39.052,

which authorize the commissioner to determine criteria for accreditation statuses and to determine the accreditation status of each school district and open-enrollment charter school; TEC, §39.053, which authorizes the commissioner to adopt a set of indicators of the quality of learning and achievement and requires the commissioner to periodically review the indicators for consideration of appropriate revisions; TEC, §39.054, which requires the commissioner to adopt rules to evaluate school district and campus performance and to assign a performance rating; TEC, §39.0541, which authorizes the commissioner to adopt indicators and standards under TEC, Chapter 39, Subchapter C, at any time during a school year before the evaluation of a school district or campus; TEC, §39.0543, which describes acceptable and unacceptable performance as referenced in law; TEC, §39.0546, which requires the commissioner to assign a school district or campus a rating of "Not Rated" for the 2021-2022 school year, unless, after reviewing the district or campus under the methods and standards adopted under TEC, §39.054, the commissioner determines the district or campus should be assigned an overall performance rating of C or higher; TEC, §39.0548, which requires the commissioner to designate campuses that meet specific criteria as dropout recovery schools and to use specific indicators to evaluate them; TEC, §39.055, which prohibits the use of assessment results and other performance indicators of students in a residential facility in state accountability; TEC, §39.056, which authorizes the commissioner to adopt procedures relating to monitoring reviews and special investigations; TEC, §39.151, which provides a process for a school district or an open-enrollment charter school to challenge an academic or financial accountability rating; TEC, §39.201, which requires the commissioner to award distinction designations to a campus or district for outstanding performance; TEC, §39.2011, which makes open-enrollment charter schools and campuses that earn an acceptable rating eligible for distinction designations; TEC, §39.202 and §39.203, which authorize the commissioner to establish criteria for distinction designations for campuses and districts; TEC, §39A.001, which authorizes the commissioner to take any of the actions authorized by TEC, Chapter 39, Subchapter A, to the extent the commissioner determines necessary if a school does not satisfy the academic performance standards under TEC, §39.053 or §39.054, or based upon a special investigation; TEC, §39A.002, which authorizes the commissioner to take certain actions if a school district becomes subject to commissioner action under TEC, §39A.001; TEC, §39A.004, which authorizes the commissioner to appoint a board of managers to exercise the powers and duties of a school district's board of trustees if the district is subject to commissioner action under TEC, §39A.001, and has a current accreditation status of accredited-warned or accredited-probation; or fails to satisfy any standard under TEC, §39.054(e); or fails to satisfy any financial accountability standard; TEC, §39A.005, which authorizes the commissioner to revoke school accreditation if the district is subject to TEC, §39A.001, and for two consecutive school years has received an accreditation status of accredited-warned or accredited-probation, failed to satisfy any standard under TEC, §39.054(e), or failed to satisfy a financial performance standard; TEC, §39A.007, which authorizes the commissioner to impose a sanction designed to improve high school completion rates if the district has failed to satisfy any standard under TEC, §39.054(e), due to high school completion rates; TEC, §39A.051, which authorizes the commissioner to take action based on campus performance that is below any standard under TEC, §39.054(e); and TEC, §39A.063, which authorizes the commissioner to

accept substantially similar intervention measures as required by federal accountability measures in compliance with TEC, Chapter 39A.

CROSS REFERENCE TO STATUTE. The amendment implements Texas Education Code, §§7.021(b)(1); 7.028; 12.056; 12.104; 29.001; 29.0011(b); 29.010(a); 29.062; 29.066; 29.081(e), (e-1), and (e-2); 29.201; 29.202; 39.003; 39.004; 39.051; 39.052; 39.053; 39.054; 39.0541; 39.0543; 39.0546; 39.0548; 39.055; 39.056; 39.151; 39.201; 39.2011; 39.202; 39.203; 39A.001; 39A.002; 39A.004; 39A.005; 39A.007; 39A.051; and 39A.063.

§97.1001. Accountability Rating System.

(a) The rating standards established by the commissioner of education under Texas Education Code (TEC), §§39.052(a) and (b)(1)(A); 39.053; 39.054; 39.0541; 39.0548; 39.055; 39.151; 39.201; 39.2011; 39.202; 39.203; 29.081(e), (e-1), and (e-2); and 12.104(b)(2)(L), shall be used to evaluate the performance of districts, campuses, and charter schools. The indicators, standards, and procedures used to determine ratings will be annually published in official Texas Education Agency publications. These publications will be widely disseminated and cover the following:

- (1) indicators, standards, and procedures used to determine district ratings;
- (2) indicators, standards, and procedures used to determine campus ratings;
- (3) indicators, standards, and procedures used to determine distinction designations; and
- (4) procedures for submitting a rating appeal.

(b) The procedures by which districts, campuses, and charter schools are rated and acknowledged for 2027 are based upon specific criteria and calculations, which are described in excerpted sections of the *2027 Accountability Manual* provided in this subsection. Figure: 19 TAC §97.1001(b)

(c) Ratings may be revised as a result of investigative activities by the commissioner as authorized under TEC, §39.003.

(d) The specific criteria and calculations used in the accountability manual are established annually by the commissioner and communicated to all school districts and charter schools.

(e) The specific criteria and calculations used in the annual accountability manual adopted for prior school years remain in effect for all purposes, including accountability, data standards, and audits, with respect to those school years.

(f) In accordance with TEC, §7.028(a), the purpose of the Results Driven Accountability (RDA) framework is to evaluate and report annually on the performance of school districts and charter schools for certain populations of students included in selected program areas. The performance of a school district or charter school is included in the RDA report through indicators of student performance and program effectiveness and corresponding performance levels established by the commissioner.

(g) The assignment of performance levels for school districts and charter schools in the 2027 RDA report is based on specific criteria and calculations, which are described in the *2027 Accountability Manual* provided in subsection (b) of this section.

(h) The specific criteria and calculations used in the RDA framework are established annually by the commissioner and communicated to all school districts and charter schools.

(i) The specific criteria and calculations used in the annual RDA manual adopted for prior school years remain in effect for all purposes, including accountability and performance monitoring, data standards, and audits, with respect to those school years.

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 March 9, 2026.

TRD-202601132

Cristina De La Fuente-Valadez

Director, Rulemaking

Texas Education Agency

Effective date: March 29, 2026

Proposal publication date: December 12, 2025

For further information, please call: (512) 475-1497



TITLE 22. EXAMINING BOARDS

PART 11. TEXAS BOARD OF NURSING

CHAPTER 213. PRACTICE AND PROCEDURE

22 TAC §213.13

Introduction. The Texas Board of Nursing (Board) adopts amendments to 22 Texas Administrative Code §213.13, relating to Complaint Investigation and Disposition, without changes to the proposed text as published in the December 19, 2025 edition of the *Texas Register* (50 TexReg 8153). The rule will not be republished.

Reasoned Justification. The adopted amendments are necessary to align §213.13 with applicable statutory requirements and to ensure that the rule accurately reflects current agency practices related to complaint intake, investigation, and notification. An internal audit conducted in conjunction with the Board's enforcement department identified provisions of the rule that were outdated or inconsistent with current procedures. The amendments address those findings.

The amendments update the complaint submission provisions to reflect the Board's existing intake processes, including submission in writing or through the agency's online complaint portal, and clarify the information required to initiate an investigation. The amendments remove certain information requirements that may not be reasonably available to complainants and that are not necessary at the initial intake stage. The complaint priority system is also amended to reflect current operational practice. The adopted amendments further clarify investigative timeline and notification requirements to ensure consistency with Texas Occupations Code §§301.204 and 301.457. Finally, the amendments remove language requiring a criminal background check at the preliminary stage of an investigation to accurately reflect current procedure. Criminal background checks remain part of agency practice but are not conducted during the initial intake phase.

Section-by-Section Overview. The adopted amendments revise subsection (a) to consolidate complaint submission requirements and clarify the information collected to initiate or conduct an investigation.

Subsection (b) is amended to retain the currently used complaint priority levels and remove the unused Priority 4 category.

Subsection (c) clarifies that, not later than the 30th day after receipt of a complaint, staff must complete a preliminary investigation to determine the identity of the person named or described in the complaint, if necessary, and to assign complaint priority scheduling, which establishes the projected timeline for case completion.

Subsection (d) clarifies notification requirements consistent with Texas Occupations Code §§301.204 and 301.457, including documentation and communication of projected investigative timelines and any subsequent changes. The reference to §301.457 preserves the Board's statutory authority to withhold notice to a licensee when providing such notice would jeopardize an investigation.

Subsections (e) and (f) remove obsolete language and clarify when an investigation is considered complete and when summary data must be provided to the Executive Director for cases extending beyond established timelines.

Public Comment. No comments were received.

Statutory Authority. These amendments are adopted under the authority of Texas Occupations Code §§301.151 and 301.204. Section 301.151 authorizes the Board to adopt and enforce rules necessary to perform its duties, regulate the practice of professional and vocational nursing, and conduct proceedings before the Board. Section 301.204 requires the Board to adopt rules, policies, and procedures governing the investigation and disposition of complaints. In relevant part, §301.204 requires the Board to distinguish between categories of complaints; establish a schedule for each phase of a complaint not later than the 30th day after receipt; notify parties of projected time requirements and any changes to those timelines; and receive notification of complaints that remain unresolved beyond prescribed timeframes.

Cross Reference to Statute. The following statutes are affected by this adoption: Texas Occupations Code §§301.151, 301.204, and 301.457.

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 March 9, 2026.

TRD-202601125

James W. Johnston

General Counsel

Texas Board of Nursing

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Proposal publication date: December 19, 2025

For further information, please call: (512) 305-6879



TITLE 25. HEALTH SERVICES

PART 1. DEPARTMENT OF STATE HEALTH SERVICES

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

The executive commissioner of the Texas Health and Human Services Commission (HHSC), on behalf of the Department of State Health Services (DSHS or department), adopts the amendments to §§300.100 - 300.103, 300.201 - 300.203, 300.301 - 300.303, 300.402 - 300.404, 300.501, 300.502, 300.601 - 300.606; and new §§300.204 - 300.208, 300.405 - 300.407, 300.701, and 300.702, concerning Manufacture, Distribution, and Retail Sale of Consumable Hemp Products.

Sections 300.100, 300.102, 300.206, 300.404, 300.407, 300.602, 300.604, 300.605, and 300.702, are adopted without changes to the proposed text as published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8486). These rules will not be republished.

Sections 300.101, 300.103, 300.201 - 300.205, 300.207, 300.208, 300.301 - 300.303, 300.402, 300.403, 300.405, 300.406, 300.501, 300.502, 300.601, 300.603, 300.606, and 300.701 are adopted with changes to the proposed text as published in the December 26, 2025, issue of the *Texas Register* (50 TexReg 8486). These rules will be republished.

BACKGROUND AND JUSTIFICATION

The amendments are necessary to comply with Executive Order GA-56. House Bill (HB) 1325 (86th Legislature, Regular Session, 2019) established Texas Health and Safety Code (HSC) Chapter 443 for the Manufacture, Distribution, and Sale of Consumable Hemp Products (CHPs). The resulting rules to implement HSC 443 are at 25 Texas Administrative Code (TAC) Chapter 300 and became effective on August 2, 2020.

On September 10, 2025, Governor Greg Abbott issued Executive Order GA-56, directing the department to amend the rules to prohibit the sale of CHPs to minors, to add age verification requirements, to update testing requirements, and to update record keeping requirements.

The adopted rules increase the initial and annual renewal licensing fees for consumable hemp manufacturers to \$10,000 per facility, and the annual registration fees for retailers to \$5,000 per location. The adopted rules add a written consent requirement for Texas Alcoholic Beverage Commission (TABC) to enter the premises to conduct a physical inspection for both manufacturers and retail hemp registrants. The adopted rules also include tetrahydrocannabinol acid (THCA) in the definition of total delta-9 tetrahydrocannabinol (THC) and in the definition of acceptable hemp THC level. The adopted rules update testing, packaging, labeling, and record-keeping requirements.

COMMENTS

The 31-day comment period ended January 26, 2026.

During this period, DSHS received comments regarding the proposed rules from 1,421 commenters. DSHS received comments from Alcohol and Drug Awareness for the Alcohol & Drug for the Concho Valley (ADACCV), GREENT Club, Good Spirits Beverages, Treehouse Dispensary, American Pharmacies, Delta Bros-Twisted Liquors, Cheech and Chong's Apothecaria West Frisco, the Banks Law Firm, LVLX Wellness LLC, Cannabis Retailers Alliance for Texas (CRAFT), Smokin Glassworks, The Happy Cactus, United Wholesale, Price-Catch, American Shaman, Texas Food & Fuel Association, C

Good Staging LLC, Elevated, The CannaShack Co., Pinnacle Essentials, Sunmed CBD, Haus of Jayne, Reggie and Dro, ZAR, A to Z Investments and Wholesale LLC, CannaWise Co., 4K Pharm LLC, PrimeOne Sourcing LLC, Royal Habash LLC, C Better Days Inc, UFORIQ, Restart, Texas Hemp Coalition, Compliance Pros LLC, Hemp Industry and Farmers of America, Chubby's Green, Sacred Leaf, Sublingwell LLC, Happy Clouds, CBD Temptations, Frontline Farms CBD, Coastal Wellness and Gifts, Discount Pharms, 24hr Bud Delivery LLC, American Hemp Co/American Weed Co, Califlower Garden, Medanature LLC, East Texas Hemp Company LLC, American Trade Association for Cannabis and Hemp, Eureka Heights Brewing Co., High Tides LLC, HRD Investment LLC, Lonestar HempWorks, Crescent Canna, Blum Reserve Co, Wild Revival, Green Haus Wellness, Bullfrog Botanicals, Dope Daiquiris, the Green Hit Smoke Shop, DRMZ Brands, SMB Nation, Treeline, Delta Vine, Hummingbird Hemp, The Puebla Group, The Healing Herb, Healing Herbal LLC, Rebel Chef, San Antonio Council on Alcohol and Drug Awareness (SACADA), Hill Country Council on Alcohol and Drug Abuse (HCCADA), Texans for a Safe and Drug Free Youth, Reach Council, Ninja Consultation Group TTX LLC dba Habit Crafted, Rolling & CO Smoke CBD & Vapes, Elevated CBD & Smoke, Austinite Cannabis Co, Ropeace CBD Vape Smoke, Habit CBD, Bahama Mama, Farm Road Wellness, Texas Hemp and Honey, Wyatt Purp, Texas Hemp Business Council (THBC), Smoking Valley LLC, CBD American Shaman East McKinney, Hemp Beverage Alliance, Not Beer, Delta Bros, Waco CBD American Shaman, The Pink Cloud LLC, Eureka Chill LLC, Oak Cliff Cultivators and Ease Up, Texas Package Stores Association, Vitam, The Texas Cannabis Collective, 1937 Apothecary LLC & Custom Botanical Dispensary, Law Office of Susan Hays, High 9ine LLC, The Law Office of Jeffery W. Wells, Fire Holistics LLC, Elevated Stash, Pops Smoke and Vapor, Delta 8 Delton, Serenity Organics, Citizens for a Safe and Healthy Texas, Pheonix House, Jota Living, Total Wine, Jollypop Vape Shop, Bayou City Hemp Company Inc, SBT Law, THC Provisions LLC, MedCanna Ventures LLC dba Happy Hemp Co, Grateful Greens LLC DBA Morning Dew Farms, The Canna Busters, Third Coast Wellness LLC, Willie's Remedy, Solid Foundations, Concho Valley C.A.R.E.S Coalition-Community Coalitions Partnership (CCP), Hopes Family FDN, Fyr Flower, The Vapor Bar, MNG 2005 Inc, Victory Pluz, Mighty Distro, True Life Spirits, North Canna, True Hemp Science, Uniwyze Inc, The Concord, Levotic, VaporScape, Texas Cannabis Policy Center, CBD American Shaman, Public Health Texas Medical Association, ECL Testing, Hill Country Pregnancy Care Center, Oasis Farms, Texas Original, and 1,280 individuals. A summary of comments relating to the rules and DSHS's responses follow.

Comment: Multiple commenters oppose §300.404, which states the restrictions for bulk raw hemp material, isolates, or distillates that have a total delta-9 THC content exceeding THC limits. Commenters argue that imposing restrictions violate Texas Agriculture Code §122.356, which allows transport of hemp plant material in this state if it is produced in compliance with a state or tribal plan approved by the United States Department of Agriculture under 7 United States Code (U.S.C.) §1639p.

Response: DSHS disagrees and declines to revise the proposed rule in response to this comment. DSHS is aware that THC fluctuates during the extraction process, and the extractor must ensure the final extracted product is under 0.3 percent delta-9 THC. Section 300.206 and HSC §443.152 total THC limits apply to products distributed and sold at retail, otherwise introduced into commerce, and transported into Texas for further processing.

HSC Chapter 481, Texas Controlled Substances Act, applies to products that meet the definition of a controlled substance. DSHS does not have the authority to permit products in excess of statutory limitations.

Comment: Most commenters oppose the proposed fees for consumable hemp manufacturers and retailers.

Response: DSHS agrees with this comment. DSHS revised §§300.202(c)(1), 300.202(c)(2)(A), and proposed 300.502(f)(1) (renumbered to subsection (g)(1)) to set the fee for a manufacturer's license at \$10,000 per facility per year, and a retailer's registration at \$5,000 per location per year. HSC §12.0111 authorizes DSHS to collect licensing fees to recover direct and indirect costs of administering and enforcing the program. To set these fees, DSHS made estimates of the costs necessary to support regular inspection of manufacturers and retailers, including inspector salaries and travel, laboratory testing costs, related legal and State Office of Administrative Hearing costs for resulting compliance actions, and assistance from the TABC and the Texas Department of Public Safety (DPS) per Executive Order GA-56. DSHS will reevaluate licensing fees periodically to ensure fees do not exceed the amount required to administer the program.

Comment: Most commenters oppose a ban on hemp.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs. The rules comply with Executive Order GA-56.

Comment: Most commenters oppose a ban on THCA flower.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs. The rules comply with Executive Order GA-56.

Comment: Multiple commenters suggested raising taxes on cannabis dispensaries.

Response: DSHS considers these comments outside the scope of rulemaking for this chapter.

Comment: Multiple commenters suggested revising the age limit to purchase CHPs to 25 years old.

Response: DSHS disagrees and declines to revise the rule in response to this comment. Executive Order GA-56 directed DSHS to set the age limit to 21 years of age.

Comment: Multiple commenters suggested restricting access to a hemp establishment if a person is less than 21 or 25 years old.

Response: DSHS disagrees and declines to revise the rule in response to this comment. Many retailers covered by these regulations offer a variety of non-hemp products and deliver numerous services unrelated to CHPs. Restricting access to their premises as proposed would likely cause substantial economic harm to these businesses and impose potential restrictions on consumers under the age of 21 or 25. Retailers are already required to verify the customer is at least 21 years old before completing any CHP sales or deliveries.

Comment: Many commenters oppose track and trace requirements.

Response: DSHS does not agree with the commenters and declines to revise the rule in response to this comment. These systems are essential to maintain regulatory compliance, up-

hold public safety, and ensure product quality. Furthermore, these systems enable quick, targeted recalls of contaminated or non-compliant products.

Comment: Multiple commenters oppose testing requirements.

Response: DSHS does not agree with the commenters and declines to revise the rule in response to this comment. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs in Texas. This includes developing rules for testing requirements.

Comment: Multiple commenters suggested a grace period to implement rules.

Response: DSHS disagrees and declines to revise the rule in response to this comment. Governor's Executive Order GA-56 tasked DSHS with reviewing and updating rules, especially those prohibiting access to minors. Immediate enforcement is necessary to address the concerns raised by Executive Order GA-56.

Comment: Multiple commenters stated the Texas Compassionate Use program, while well-intentioned, remains out of reach for many due to cost and limited availability.

Response: DSHS considers this comment outside the scope of rulemaking for this chapter.

Comment: Multiple commenters suggested legalizing marijuana.

Response: DSHS considers this comment outside the scope of rulemaking for this chapter. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs in Texas.

Comment: Most commenters oppose total THC reclassification via THCA conversion (§300.101) for both total THC and total delta-9 THC. The commenters suggest the compliance threshold exceeds statutory authority.

Response: DSHS does not agree and declines to revise the rule in response to this comment. The Texas Agriculture Code §121.001 defines hemp to include "all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." The Texas Department of Agriculture rules at 4 TAC §24.26 state that testing methodology should account for the potential conversion of delta-9 tetrahydrocannabinolic acid (THCA) in hemp to delta-9 tetrahydrocannabinol (THC). HSC Section 443.051 requires rules to be consistent with federal laws and regulations; the federal regulations account for THCA conversion. Furthermore, the test results must accurately represent the total available THC, calculated as the sum of both THC and THCA content. Executive Order GA-56 directed DSHS that testing methods account for THCA conversion to THC.

Comment: Multiple commenters suggested recognizing established third-party compliance programs, training providers, and independent audits as valuable partners in achieving regulatory goals.

Responses: DSHS disagrees and declines to revise the rule in response to this comment. Businesses may conduct third-party compliance programs at their own discretion.

Comment: Multiple commenters suggested restricting cannabidiol (CBD)/THC seltzers to liquor stores or knowledgeable CBD retailers, instead of vape shops or gasoline stations.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HSC Chapter 443 makes no distinction between gas stations, convenience stores, liquor stores, consumable hemp stores, and vape shops. Businesses that sell CHPs are required to obtain a license or registration from DSHS and to comply with HSC Chapter 443, and with 25 TAC Chapter 300.

Comment: Multiple commenters suggested dosing, serving size, and milligram restrictions and guidance.

Response: DSHS disagrees and declines to revise the rule in response to this comment. The label must include the serving size as per 21 Code of Federal Regulation (CFR) 101, declared on the product label. HB 1325 adopts federal food labeling requirements.

Comment: Multiple commenters stated that the proposed rules prohibit transporting hemp.

Response: DSHS disagrees with the commenters and declines to revise the rule. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs. CHPs may be legally transported across state lines and exported to foreign countries in a manner that is consistent with federal law and the laws of respective foreign countries.

Comment: One commenter stated §300.501(b) deletes the limitation that retail registration applies only to products "containing CBD." However, HSC §443.2025(b) requires registration only for retail locations selling "consumable hemp products containing cannabidiol [CBD]," and the fee schedule authority in HSC §443.2025(f) is likewise tied to locations where "consumable hemp products containing cannabidiol [CBD] are sold."

Response: DSHS disagrees with the commenter and declines to revise the rule in response to this comment. HB 1325 ensures Texas has primary regulatory authority over CHPs in this state, not just CBD.

Comment: Multiple commenters stated §300.601(b) purports to count each day a violation continues as a separate violation; however, HSC §443.201 requires the Department to provide fair notice of a potential violation and an opportunity to cure.

Response: DSHS disagrees with the commenters and declines to revise the rule in response to this comment. The department is statutorily required to notify retailers of potential violations and to provide an opportunity to resolve unintentional or negligent violations. Section 300.606(b) is consistent with this requirement. Section 300.601(b) applies to violation of department licensure or registration requirements.

Comment: One commenter suggested clarification that product labels must identify the licensed legal entity, with DBA's requiring additional licenses.

Response: DSHS disagrees with the commenter and declines to revise the rule in response to this comment. HB 1325 only requires the manufacturer's name on the product label. Section 300.201(f)(2), relating to application for license or renewal, requires applicants to list other names under which the firm does business.

Comment: Multiple commenters stated that extensive compliance burdens, such as child-resistant packaging, could be more appropriately addressed through targeted legislation rather than sweeping agency rulemaking.

Response: DSHS disagrees with the commenters and declines to revise the rule in response to this comment. These requirements are essential for public safety, primarily designed to mitigate the risks of accidental ingestion by minors and to comply with state and federal requirements, such as the Poison Prevention Packaging Act (PPPA). The revisions are consistent with Executive Order GA-56.

Comment: Multiple commenters oppose proposed rules in general.

Response: DSHS disagrees with these commenters and declines to revise the rule in response to this comment. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs. The revisions are consistent with Executive Order GA-56.

Comment: Multiple commenters stated testing could be more appropriately addressed through targeted legislation rather than sweeping agency rulemaking.

Response: DSHS disagrees with the commenters and declines to revise the rule in response to this comment. HB 1325 states the executive commissioner shall adopt rules and procedures necessary to administer and enforce this chapter. The revisions are consistent with Executive Order GA-56.

Comment: Multiple commenters stated warning labels could be more appropriately addressed through targeted legislation rather than sweeping agency rulemaking.

Response: DSHS disagrees with the comment and declines to revise the rule in response to this comment. HB 1325 states the executive commissioner shall adopt rules and procedures necessary to administer and enforce this chapter. The revisions are consistent with Executive Order GA-56.

Comment: Multiple commenters stated recall procedures could be more appropriately addressed through targeted legislation rather than sweeping agency rulemaking.

Response: DSHS disagrees with the commenters and declines to revise the rule in response to this comment. HB 1325 states that the executive commissioner shall adopt rules and procedures necessary to administer and enforce this chapter. Recalls are essential because they safeguard the public from products that could cause injury, illness, or even death.

Comment: Multiple commenters asked to clarify that Texas CHP standards apply to out-of-state products sold in Texas.

Response: DSHS agrees with the commenters and revised §300.403 to clarify the standards apply to all out-of-state products sold in Texas.

Comment: One commenter suggested standardizing reporting of the measurement of uncertainty.

Response: DSHS disagrees with the commenter and declines to revise the rule in response to this comment. No mandatory, general-purpose, or maximum bounds are set for the calculation of laboratory measurement uncertainty. Such metrics are instead controlled through laboratory testing performance standards.

Comment: Multiple commenters stated that converted cannabinoids and synthetic products are not addressed directly in the proposed rules, raising product safety concerns.

Response: DSHS disagrees and declines to make the suggested change at this time. The rules are consistent with

Executive Order GA-56. DSHS will consider the requested definition change in a future rulemaking.

Comment: Multiple commenters suggested prohibition of the sale of other intoxicants such as kratom, tianeptine, nitrous oxide, synthetic cannabinoids, hallucinogenic mushrooms, or psilocybin products.

Response: DSHS considers these comments outside the scope of rulemaking for this chapter. The rules are consistent with Executive Order GA-56.

Comment: Three commenters requested that DSHS align Subchapter G with 16 TAC §35.6 adopted by the TABC.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. 16 TAC §35.6 applies only to persons who have a TABC license or permit. HB 1325 applies to firms that manufacture, process, or retail sale CHPs. The rules are consistent with Executive Order GA-56.

Comment: Multiple commenters stated packaging and labeling rules are an undue burden on retailers. Sections 300.402, 300.405, and 300.406 put the burden on retailers to evaluate product labeling and packaging for compliance with Subchapter D and requires the retailers to develop written procedures for doing so. The commenters recommend limiting the task only to "qualified individuals."

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. HB 1325 requires retailers to ensure labeling and packaging requirements comply with this chapter.

Comment: Multiple commenters propose to remove gas chromatography from the total delta-9 THC provision.

Response: DSHS does not agree with this comment and declines to revise the rule in response to this comment. The rule allows, but does not require, the use of gas chromatography.

Comment: One commenter suggested removal of the definition of "marihuana."

Response: DSHS agrees with this comment and has removed §300.101(25), the definition of marihuana. The paragraphs in §300.101 have been renumbered accordingly.

Comment: Most commenters disagree with the hemp definition stating the definition is not the same as the federal definition.

Response: DSHS disagrees with this comment but revised §300.101(20) and §300.203(b), to align with the Texas Agriculture Code definition of hemp. The Texas definition is not required to mirror the Federal definition.

Comment: Multiple commenters oppose the definition of "Facility" to include U.S. Food and Drug Administration (FDA) Facility registration.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. FDA requires all food manufacturers, including consumable hemp manufacturers that manufacture CHPs for ingestion, to register according to the Food Safety Modernization Act (FSMA) unless exempted.

Comment: Multiple commenters oppose the definition of "cannabis" and want it deleted.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. The definition of "cannabis" informs the stakeholders of the type of plant.

Comment: Multiple commenters ask for clarification regarding whether licensing for an approved hemp source applies only to the Texas-based distributor or retailer selling the final, retail-ready products. Do the requirements for the manufacturer or brand apply whether based in or out of state?

Response: DSHS agrees that a clarification is needed and revised §300.101(5) to clarify approved hemp source.

Comment: One commenter states the definition of accredited laboratory should only have one clear standard, ISOIEC 17025 and delete "comparable or successor standard."

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. HB 1325 includes "comparable standard" language.

Comment: One commenter stated that the definition of "Process" includes "intended for incorporation" and could be interpreted too broadly and unintentionally include pilot or experimental batches that never reach consumers. Clarifying that intent applies only to materials reasonably expected to become consumer-ready products would reduce regulatory uncertainty while keeping safety and compliance intact.

Response: DSHS disagrees with the comment and declines to revise the rule in response to this comment. Consistent with HB 1325, Texas Agriculture Code §§121.001-121.020, 25 TAC §§300.101-300.104, and FDA intended-use principles under Federal Food, Drug, and Cosmetic Act (21 U.S.C. §321g, h, and k), materials intended or reasonably expected to be incorporated into CHPs must remain subject to regulatory oversight to prevent gaps in safety and compliance.

Comment: One commenter suggested amendment of the definition of "manufacturer" to clarify the distinction between manufacturing, distribution, and allowed modifications to reduce regulatory risk for lawful hemp-derived products.

Response: DSHS agrees with this comment and revised §300.101(23), (24), and proposed (34) (renumbered to paragraph (33)) to provide a distinction between hemp manufacturers and distributors.

Comment: Multiple commenters suggested halting these rule changes until there is clearer federal guidance and a comprehensive economic impact study on Texas' small businesses.

Response: DSHS disagrees and declines to revise the rule in response to this comment. The revisions are consistent with Executive Order GA-56.

Comment: One commenter stated, "Moving distributor licensing out of the hemp regime is not advisable."

Response: DSHS agrees with this comment and has made clarifying edits to state distributors must obtain a wholesaler license under HSC 431. DSHS clarified the licensing requirements for distributors throughout the rules.

Comment: One commenter suggested an amendment to the definition of "cannabis" to indicate "any plants or plant matters from plants in the genus Cannabis Sativa L."

Response: DSHS agrees with this comment and revised §300.101(8) in response to this comment.

Comment: One commenter suggested that TABC be allowed to access records per §300.203.

Response: DSHS agrees with this comment and revised §300.203(a) in response to this comment.

Comment: One commenter suggested clarification of who approves suppliers and whether the approval process includes all ingredients.

Response: DSHS disagrees and declines to revise the rules in response to this comment. All ingredients used in hemp production must be from approved sources. Approved source is defined in TAC §229.211(7). Unprocessed materials must originate from vendors that adhere to relevant state and federal regulations and are licensed, if appropriate, and evaluated by the governing body responsible for overseeing the processing and distribution of these raw materials.

Comment: One commenter suggested that DSHS require and enforce batch-specific Certificate of Analysis (COA) results.

Response: DSHS agrees with this comment and revised §300.205(2) in response to this comment.

Comment: One commenter stated, "In 25 TAC §300.402(a)(6) consider a QR code rather than a universal resource locator (URL). QR codes are easier for consumers to use (two-clicks rather than trying to read a small font URL then type in the text) and are more expected in the marketplace now."

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. HB 1325 requires the product's label to have a URL linked to the certificate of analysis. A firm has the option to also incorporate a QR code, but the URL is required.

Comment: One commenter suggested consideration of a font size minimum for recommended serving size and servings per container in §300.402(a)(7).

Response: DSHS disagrees and declines to revise the rule in response to this comment. DSHS follows 21 CFR 101.2(c) and (f), which provide guidance on serving size and servings per container.

Comment: Multiple commenters suggested DSHS consider allowing a universal THC symbol.

Response: DSHS disagrees and declines to revise the rule in response to this comment. Currently, there is no standard for a universal THC symbol. However, a firm may add a THC symbol to their label.

Comment: Two commenters suggested removal of "All THC's have psychoactive properties that may produce an effect similar to or greater than the effect of marijuana, a controlled substance" due to tetrahydrocannabinol (THC) not being psychoactive.

Response: DSHS agrees with this comment and has revised §300.402(b)(3).

Comment: One commenter suggested the word "marijuana" within the warning statement is not commonly known to the typical consumer and should be deleted.

Response: DSHS agrees with this comment and has amended §300.402(b)(3).

Comment: Two commenters oppose §300.405(b)(5)(E), which prohibits packaging with images of any celebrities as many are not known to children.

Response: DSHS agrees and has revised §300.405.

Comment: One commenter suggested standardized warnings on dosing, driving, and age restrictions.

Response: DSHS disagrees and considers this comment outside the scope of Executive Order GA-56. DSHS will consider the requested revision in future rulemaking. CHPs are prohibited from being marketed or sold to minors.

Comment: One commenter suggested requiring standard operating procedures as part of the license renewal.

Response: DSHS disagrees and declines to make the suggested change at this time. The rules are consistent with Executive Order GA-56. DSHS will consider the requested revision in future rulemaking.

Comment: One commenter suggested "Remote inspections (Zoom/document audits)" become standard and on-site visits are only triggered by "risk flags."

Response: DSHS does not agree with this comment and declines to revise the rule in response to this comment. Though remote inspections have been used under certain conditions, remote inspections require inspections be announced. This can limit the effectiveness of the inspection.

Comment: One commenter suggested "Licensees upload COAs into a DSHS system or via QR-linked database."

Response: DSHS disagrees and declines to make the suggested change at this time. The rules are consistent with HB 1325 and Executive Order GA-56. DSHS will consider the requested revision in future rulemaking.

Comment: One commenter stated §300.103 is too broad and should require a "defined inspection basis (routine schedule, complaint-driven, follow-up, or targeted risk), require written notice when feasible, and require inspectors to provide a written scope statement at the start of an inspection so licensees know what is being examined and why."

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. Pursuant to HSC Chapters 431 and 443, the department is authorized to conduct unannounced inspections to ensure compliance with consumable hemp requirements. Requiring notice or predefined inspection scope would limit effectiveness of inspections. Regulated entities already receive written inspection findings and enforcement notices upon conclusion of inspections.

Comment: Multiple commenters suggested clarification of §300.204 and §300.205, specifically, who maintains these records, who must have access, or how compliance would be verified, especially for out-of-state suppliers.

Response: DSHS disagrees and declines to revise the rules in response to this comment. Consumable hemp manufacturers are required to comply with §300.204 and §300.205. DSHS must review records to ensure compliance with Chapter 300. Non-resident suppliers are obligated to adhere to all relevant federal regulations as well as the statutory requirements of the destination state.

Comment: Multiple commenters stated the definition for "Approved Hemp Source" is overly broad, internally conflicting, and confusing.

Response: DSHS agrees and revised §300.101(5) in response to this comment.

Comment: One commenter stated recalls should be the responsibility of the manufacturer, not the distributor or retailer.

Response: DSHS disagrees with this comment but revised §300.207 to differentiate the requirements for retailers and manufacturers. Although manufacturers have a significant responsibility for recalls, retailers also need a plan for recalls.

Comment: One commenter stated §300.203 is only appropriate for in-state manufacturers, but is not applicable to farmers, retail shops, or distributors.

Response: DSHS agrees with the comment and declines to revise the rule in response to this comment. Section 300.203 is applicable to manufacturers, not farmers, retail shops, or distributors.

Comment: Multiple commenters suggested complaint files should be the manufacturer's responsibility instead of the store owners.

Response: DSHS agrees with the comment but declines to revise the rule. Section 300.208 relating to complaints only applies to manufacturers and processors.

Comment: One commenter suggested clarifying sampling methodology enforcement.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. DSHS samples are based on whether the inspection is routine, compliance, investigation, or complaint based.

Comment: One commenter opposes §300.402, Packaging and Labeling Requirements, as ambiguous and subjective standards.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. The revisions are consistent with Executive Order GA-56.

Comment: One commenter suggested §300.403, Relating to Retail Sale of Out-Of-State Consumable Hemp Products, is ambiguous.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. Section 300.403 is consistent with federal and state requirements.

Comment: One commenter opposes the term "attractive to children" because it is opinion based.

Response: DSHS agrees and has revised §300.405.

Comment: One commenter opposes §300.406 because it does not define the terms "clear," "sufficient detail," and "qualified individual."

Response: DSHS does not agree with this comment and declines to revise the rule in response to this comment. A "qualified individual" is defined in 25 TAC §229.211(54).

Comment: One commenter suggested deleting §300.407 "Misleading Consumable Hemp Packaging."

Response: DSHS does not agree with this comment and declines to revise the rule in response to this comment. It is important for the consumer to be able to determine whether the package contains a hemp-derived cannabinoid and whether the product is intended for medical purposes. Consumable hemp product packaging must clearly indicate that the package contains a hemp-derived cannabinoid and that the product is not intended for medical purposes. This requirement ensures informed consumers and is consistent with Executive Order GA-56.

Comment: One commenter stated that introduction into commerce is not defined.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. "Commerce" is defined in Texas Business and Commerce Code §17.45(6).

Comment: One commenter opposes §300.701(a) citing that it is too subjective.

Response: DSHS agrees and has revised §300.701(a). The revisions are consistent with Executive Order GA-56.

Comment: One commenter opposes §300.603 and suggested this section allows inspectors to take "full control over business owners" property without checks and balances.

Response: DSHS does not agree with the commenter and declines to revise the rule in response to this comment. The revisions are consistent with Executive Order GA-56 and HSC §443.002, which incorporates recall and embargo authority under HSC §431.048.

Comment: One commenter opposes §300.605, "Correction by Proper Labeling or Processing."

Response: DSHS does not agree with this comment and declines to revise the rule in response to this comment. HSC §431.052 authorizes Correction by Proper Labeling or Processing.

Comment: One commenter suggested recognizing smokable flower and pre-Rolls as "cigar lounge-style products."

Response: DSHS disagrees and declines to make the suggested change at this time. The revisions are consistent with Executive Order GA-56. DSHS will consider the requested revision in a future rulemaking.

Comment: One commenter suggested DSHS require one certified THC Handler per licensed store.

Response: DSHS disagrees and declines to make the suggested change at this time. The revisions are consistent with Executive Order GA-56. DSHS will consider the requested revision in a future rulemaking.

Comment: One commenter suggested a centralized DSHS portal for managing licensee compliance, training, and inspection reports.

Response: DSHS agrees in part and disagrees in part. DSHS has a portal that manages license compliance, and inspection reports. DSHS declines to make the suggested change for a training portal at this time. DSHS will consider the comment in a future rulemaking.

Comment: One commenter suggested the establishment of a Hemp Regulatory Commission.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. DSHS considers this comment outside the scope of rulemaking for this project and Executive Order GA-56.

Comment: Multiple commenters recommend specific penalties for noncompliance, such as: \$500 - \$1,000 per unregistered product, \$10,000/day for unlicensed operation, and \$20,000/day for operation after license revocation. Some commenters suggest the rules "should also include clear, automatic penalties for violations such as falsified certificates of analysis, sales to minors, and distribution of unauthorized products."

Response: DSHS does not agree with the commenter and declines to revise the rule in response to this comment. DSHS relies on an administrative penalty matrix in making enforcement determinations. All enforcement actions taken by DSHS are administrative or civil rather than criminal.

Comment: Multiple commenters suggested banning THC-Infused Foods and Beverages in Violation of Federal Law.

Response: DSHS disagrees with this comment and declines to revise the rule in response to this comment. HB 1325 requires DSHS to develop rules regulating the manufacture, distribution, and sale of CHPs in Texas. The revisions are consistent with Executive Order GA-56.

Comment: Multiple commenters suggested DSHS should establish a cost-recovery grant program to assist local law enforcement and municipal partners in conducting compliance checks, underage stings, and inspections; the best practice already used in tobacco and alcohol enforcement programs. Underage sting operations should be conducted once per quarter with retailers, as a recommended best practice.

Response: DSHS disagrees and declines to revise the rule in response to this comment. DSHS has established fees that will support TABC underage sting operations. TABC has already implemented underage sting operations. DSHS also collaborates with Texas Department of Public Safety, as directed by Executive Order GA-56.

Comment: Multiple commenters suggested aligning with Federal Product Standards, which limit finished products to no more than 0.4 milligrams of total THC per serving.

Response: DSHS disagrees and declines to make the suggested change at this time. DSHS will consider the requested revision in a future rulemaking when the federal amendments take effect.

Comment: Multiple commenters suggested DSHS require Third-Party Lab Testing and QR-Code COAs that include THC content, a complete analyte list, and documentation of the absence of contaminants or adulterants.

Response: DSHS does not agree with this comment and declines to revise the rule in response to this comment. HB 1325 has already incorporated requirements for testing. CHP manufacturers are required to test for, as appropriate, cannabinoids, residual solvents, microbiological contaminants, pesticides, and heavy metals.

Comment: Multiple commenters suggest DSHS incorporate the ability to quickly update prohibited product forms, potency structures, and compliance triggers as the market evolves.

Response: DSHS disagrees and declines to make the suggested change at this time. The revisions are consistent with Executive Order GA-56. DSHS will consider the requested revision in a future rulemaking.

Comment: Multiple commenters suggest strengthening accountability for out-of-state products, including consideration of a distributor or importer responsibility mechanism to prevent retailer only enforcement.

Response: DSHS declines to revise the rule in response to this comment. A consumable hemp product distributor is required to hold a wholesaler license from the department per HSC Chapter 431. Out of state manufacturers' products must comply with Texas statutes and rules in order to be sold in Texas.

Comment: One commenter suggested the DSHS Commissioner include guidance on acceptable forms of identification issued by another country.

Response: DSHS agrees and revised §300.701(c) in response to this comment.

Comment: Multiple commenters oppose the inclusion within the warning statement "...greater effect than marihuana."

Response: DSHS agrees with this comment and has revised §300.402(b)(3).

Comment: Multiple commenters oppose batch date labeling requirements.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HB 1325 requires a batch date.

Comment: Multiple commenters oppose packaging and Child Resistance Requirements for 750ml containers.

Response: DSHS disagrees and declines to revise the rule in response to this comment. Executive Order GA-56 directed the department to implement rules to prevent minors access to all consumable hemp products.

Comment: Multiple commenters stated rules should follow only food Good Manufacturing Practices (GMPs).

Response: DSHS does not agree and declines to revise the rule in response to this comment. HB 1325 provides that a consumable hemp products means food, a drug, a device, or a cosmetic that contains hemp or one or more hemp-derived cannabinoids. Food, drug, device, and cosmetic are defined by HSC §have their own regulations.

Comment: Multiple commenters suggested recordkeeping obligations are often impractical for lawful operators to satisfy, particularly for those whose activities are limited to repackaging, re-labeling, or distribution of finished products manufactured elsewhere.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HSC §431.044 requires records to be kept showing movement in commerce, which includes finished product distribution. Repackaging, relabeling, and private labeling operations are considered manufacturing and are subject to these rules.

Comment: One commenter suggested "approved hemp source" creates confusion about hemp from outside the United States, which complies with federal law.

Response: DSHS agrees and revised §300.101(5) in response to this comment.

Comment: Multiple commenters suggested §300.407 restricts labeling and marketing for medical use or therapeutic benefit but does not clearly distinguish between explicit disease-treatment claims (which are appropriately restricted) and general wellness language or imagery common in food and supplement contexts.

Response: DSHS disagrees and declines to revise the rule in response to this comment. The FDA regulates wellness claims on conventional foods, classifying them into three categories: authorized health claims, nutrient content, and structure/function claims. All such claims require substantiation, must be truthful, and typically highlight a nutrient's specific role in health, like calcium for bone strength, without claiming a cure.

Comment: One commenter opposes random testing in general.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HB 1325 requires DSHS to establish a process for the random testing of CHPs.

Comment: Multiple commentors suggested zoning regulations to be established for specific areas that are distant from schools and churches.

Response: DSHS disagrees and declines to revise the rule in response to this comment. HSC Chapter 443 does not authorize zoning restrictions.

Comment: Multiple commentors suggested proposed rules exceed those authorized under the governor's executive order.

Response: DSHS does not agree and declines to revise the rule in response to this comment. The revisions are consistent with Executive Order GA-56 and HSC §443.002, which incorporates HSC Chapter 431.

Comment: One commenter suggested implementation of a secure purchase environment.

Response: DSHS disagrees and declines to make the suggested change at this time. The revisions are consistent with Executive Order GA-56. DSHS will consider the requested revision in a future rulemaking.

Additionally, DSHS made minor editorial changes to the rules to improve clarity, readability, and to correct an error as follows.

DSHS revised §300.101(15) to improve clarity. DSHS revised §300.101(24) by adding "mixes" to improve clarity. DSHS also revised proposed §300.101(35) (renumbered to paragraph (34)) to remove "or leading" and include "processor" to improve clarity.

DSHS revised §300.103(a) to clarify that TABC may enter the premises to ensure compliance with this chapter; added the acronym for Texas Health and Safety Code in §300.103(b); corrected a clerical error in §300.103(c) replacing "prescription drug or restricted device" with "consumable hemp products," and updated a citation in §300.103(c)(5)(B).

DSHS revised §300.201 to clarify which license consumable hemp product distributors are required to hold and made minor grammatical revisions to improve clarity.

DSHS revised §300.202(f)(2) by replacing "denied" with "approved" and replacing "denial" with "approval" to be consistent with Texas Government Code Chapter 2005.

DSHS revised §300.203(d) to clarify who must maintain the records and made minor grammatical revisions in subsections (d) and (e) to improve clarity.

DSHS revised §300.204(b) to remove proposed paragraph (4) to eliminate a duplicate ingredient measurement requirement. The paragraphs were renumbered accordingly.

DSHS revised §300.208 and §300.402 to include "processor" to provide clarity. The title of §300.208 was revised to "Complaints" for clarity.

DSHS revised §300.301(c) to spell out "certificate of analysis" and §300.301(d)(2) to include "hemp processor" to provide clarity. DSHS also revised subsection (e) removing "with the intent to deceive" to be consistent with HSC 431.

DSHS revised §300.302(a) by removing "section" and replaced with "chapter" to clarify low-THC cannabis does not apply to 25 TAC Chapter 300.

DSHS revised §300.303 language to clarify who is responsible for complying with each requirement. DSHS revised §300.303(b) to include "retailer" as also responsible for providing testing results. This section was also revised to include the "consumer" and "Texas Alcoholic Beverage Commission" be provided testing results upon request. DSHS deleted proposed §300.303(c) since these requirements are now reflected in §300.303(b) and renumbered the subsections accordingly. DSHS revised proposed §300.303(g) - (i) (renumbered to subsections (f) - (h)) by replacing "or" with "and" to clarify what is required by stakeholders.

DSHS revised §300.403(3) to clarify out of state consumable hemp products must comply with acceptable hemp THC levels.

DSHS revised §300.406(b) to correct punctuation and §300.501(a) by removing "section" and replacing with "chapter" to correct a clerical error.

DSHS revised §300.502(b)(7) to include "sold" to provide clarity. DSHS updated §300.502 for consistency with §300.202 by revising subsection (c); adding subsections (d) and (h); revising proposed subsection (f)(2) (renumbered to subsection (g)(2)) and adding paragraphs (3) - (4). The subsections were renumbered accordingly.

DSHS revised §300.601(a)(1) to include "processing" to improve clarity.

DSHS revised §300.603 and §300.606(g) - (i) by making minor grammatical changes to improve clarity.

SUBCHAPTER A. GENERAL PROVISIONS

25 TAC §§300.100 - 300.103

STATUTORY AUTHORITY

The amended 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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.101. Definitions.

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

(1) Acceptable hemp THC level--A total delta-9 tetrahydrocannabinol content concentration level on a dry weight basis, that, when reported with the accredited laboratory's measurement of uncertainty, produces a distribution or range that includes a result of 0.3% or less.

(2) Accredited laboratory--A laboratory, including at an institution of higher education, accredited in accordance with the International Organization for Standardization ISO/IEC 17025 or a comparable or successor standard.

(3) Act--House Bill 1325, 86th Legislature, Regular Session, 2019, relating to the production and regulation of hemp in Texas, codified in Texas Health and Safety Code Chapter 443.

(4) Analyte--A chemical, compound, element, bacteria, yeast, fungus, mold, or toxin identified and measured by accredited laboratory analysis.

(5) Approved hemp source--Hemp and hemp products for human use and consumption must be grown under a state or compatible federal, foreign, or Tribal plan. These plans must be approved by the United States Department of Agriculture under 7 United States Code (U.S.C.) Chapter 38, Subchapter VII, or Texas Agriculture Code Chapter 121. The products must comply with federal law and the laws of respective foreign jurisdictions.

(6) Batch date--The date a product batch was made, used for tracking and quality control. This is also called the lot date.

(7) Batch ID number--A number that identifies a specific amount of raw or processed hemp product that meets standards for identity, strength, purity, and composition. Each batch ID number must include the manufacturer's, processor's, or distributor's number and a sequence for inventory, traceability, and identification of the plant batches used in making consumable hemp products. This is also called the lot number.

(8) Cannabis--A type of flowering plant in the Cannabaceae family. Any plants or plant matters from plants in the genus Cannabis Sativa L.

(9) Cannabidiol (CBD)--A phytocannabinoid produced by cannabis.

(10) Certificate of Analysis (COA)--An official document from an accredited laboratory available to the manufacturer, processor, distributor, retailer, public, or department. The COA shows the concentrations of cannabinoid analytes and other measurements required by the department, including data on THC levels, and states whether a sample passed or failed content analysis limits.

(11) 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).

(12) Consumable hemp products license--A license issued to a person or facility engaged in the act of manufacturing, extracting, or processing consumable hemp products for human consumption or use.

(13) Decarboxylation--The removal or elimination of a carboxyl group from a molecule or organic compound.

(14) Delta-9 tetrahydrocannabinol (d-9 THC)--A tetrahydrocannabinol isomer known as the primary psychoactive component of cannabis.

(15) Department--The Texas Department of State Health Services.

(16) Distributor--A person who distributes consumable hemp products for resale, either through a retail outlet owned by that person or through sales to another retailer. A distributor is required to hold a wholesaler license per Texas Health and Safety Code Chapter 431.

(17) Facility--A place of business engaged in manufacturing, processing, or distributing consumable hemp products subject to the requirements of this chapter and Texas Health and Safety Code Chapter 431. A facility includes a domestic or foreign facility required to register under the Federal Food, Drug, and Cosmetic Act, Section 415 in accordance with the requirements of 21 Code of Federal Regulations Part 1, Subpart H.

(18) FDA--The United States Food and Drug Administration or its successor agency.

(19) Federal Act--Federal Food, Drug, and Cosmetic Act (Title 21 U.S.C. 301 et seq.).

(20) Hemp--The plant, Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

(21) Hemp-derived cannabinoid product--Any intermediate or final product derived from hemp (other than industrial hemp), that:

(A) contains cannabinoids in any form; and

(B) is intended for human or animal use through any means of application or administration, such as inhalation, ingestion, or topical application.

(22) Independent contractor--A person or entity contracted to perform work or sales for a registrant.

(23) License holder--The person who is legally responsible for the operation as a consumable hemp manufacturer or processor and possesses a valid license.

(24) Manufacturer--A person who makes, mixes, extracts, processes, packages, or repackages consumable hemp product from one or more ingredients. The definition includes synthesizing, preparing, treating, modifying, or manipulating hemp, hemp crops, or ingredients to create a consumable hemp product. It also includes private-labeling. For farmers and persons with farm mixed-type facilities, manufacturing and processing do not include activities related to growing, harvesting, packing, or holding raw hemp product. Manufacturers may only distribute products they manufactured.

(25) Measurement of uncertainty--The parameter, associated with the results of an analytical measurement that characterizes the dispersion of the values that could reasonably be attributed to the quantity subjected to testing measurement. For example, if the reported total d-9 THC content concentration level on a dry weight basis is 0.35% and the measurement of uncertainty is +/- 0.06%, the measured total d-9 THC content concentration level on a dry weight basis for this sample ranges from 0.29% to 0.41%. Because 0.3% is within the distribution or range, the sample is within the acceptable hemp THC level for the purpose of plan compliance.

(26) Minor--A person under 21 years of age.

(27) Non-consumable hemp processor--A person who intends to process hemp products not for human consumption and who is registered with the Texas Department of Agriculture.

(28) Non-consumable hemp product--As defined by Texas Agriculture Code §122.001(8), means a product that contains hemp, other than a consumable hemp product as defined by Texas Health and Safety Code §443.001. The term includes cloth, cordage, fiber, fuel, paint, paper, particleboard, construction materials, and plastics derived from hemp.

(29) Pathogen--A microorganism of public health significance, including molds, yeasts, Listeria monocytogenes, Campylobacter, Salmonella, E. coli, Yersinia, or Staphylococcus.

(30) Person--An individual, business, partnership, corporation, or association.

(31) Private labeling--When a person or manufacturer labels a CHP with the person's name and address, thereby representing itself as responsible for the purity and labeling of a CHP.

(32) Process--Extraction of a component of hemp, including CBD or another cannabinoid, that is:

- (A) sold as a consumable hemp product;
- (B) offered for sale as a consumable hemp product;
- (C) incorporated into a consumable hemp product; or
- (D) intended for incorporation into a consumable hemp product.

(33) Processor--A person who operates a facility that processes raw agriculture hemp into consumable hemp products for manufacture, distribution, and sale. A hemp processor is required to hold a consumable hemp products license.

(34) QR code--A quick response machine-readable code that can be read by a camera, consisting of an array of black and white squares used for storing information or directing a user to product information regarding manufacturer or processor data and accredited laboratory COA.

(35) Raw hemp--An unprocessed hemp plant, or any part of the plant, in its natural state.

(36) Registrant--A person who sells consumable hemp products directly to consumers, and who submits a complete registration form to the department for purposes of registering the place of business to sell consumable hemp products at retail to the public.

(37) Reverse distributor--A person registered with the federal Drug Enforcement Agency as a reverse distributor that receives controlled substances from another person or entity for return of the products to the registered manufacturer or to destroy adulterated or impermissible THC products.

(38) Smoking--Burning or igniting a substance and inhaling the resultant smoke or heating a substance and inhaling the resulting vapor or aerosol.

(39) Supplier--A person or entity that manufactures or processes a material used in the processing or manufacturing of hemp. This term also includes a person or entity that manufactures hemp-derived cannabinoids or sells products containing hemp-derived cannabinoids to retailers.

(40) Tetrahydrocannabinol (THC)--A cannabinoid found in cannabis and considered the primary psychoactive component of the cannabis plant.

(41) Tetrahydrocannabinolic acid (THCA)--A precursor to all tetrahydrocannabinols (THC).

(42) Texas Department of Agriculture--The state agency responsible for regulation of planting, growing, harvesting, and testing of hemp as a raw agricultural product.

(43) Texas.gov--The online registration system for the State of Texas found at <https://www.texas.gov>.

(44) Total THC--The value determined after the process of decarboxylation, or the application of a conversion factor if the testing methodology does not include decarboxylation, that expresses the potential total tetrahydrocannabinol content derived from the sum of all THC isomers and THCA content and reported on a dry weight basis. This technique requires the use of the following conversion: [Total THC = (0.877 x THCA) + THC], which calculates the potential total THC in a given sample.

(45) Total delta-9 THC--The value is determined after decarboxylation or by applying a conversion factor if the testing method

does not include decarboxylation. This shows the potential total delta-9 THC content from the sum of delta-9 THC and THCA, reported on a dry weight basis. The post-decarboxylation value of delta-9 THC can be calculated using a chromatograph technique with heat, like gas chromatography, which converts THCA. This test calculates the potential total delta-9 THC in a sample. The total delta-9 THC can also be calculated using a liquid chromatograph technique, which keeps THCA intact. This technique uses the conversion: [Total delta-9 THC = (0.877 x THCA) + delta-9 THC]. This test calculates the potential total delta-9 THC in a sample.

§300.103. *Inspections.*

(a) Authorized employees of the department or the Texas Alcoholic Beverage Commission, after showing proper credentials to the owner, operator, or person in charge, may:

(1) enter the premises at reasonable times, conduct inspections, collect samples, and take photographs to determine compliance with this chapter and Texas Health and Safety Code (HSC) Chapters 431 and 443;

(2) enter a vehicle being used to transport or hold a consumable hemp product in commerce; or

(3) inspect at reasonable times, within reasonable limits, and in a reasonable manner, the facility or vehicle and all equipment, finished and unfinished materials, containers, and labeling of any item and obtain samples necessary for the enforcement of this chapter.

(b) The inspection of a facility where consumable hemp products are manufactured, processed, distributed, packed, repackaged, sold, or held, for introduction into commerce must undergo inspection to determine if the consumable hemp product is:

(1) adulterated or misbranded; or

(2) manufactured, processed, held, distributed, packed, or sold in violation of this chapter or HSC Chapters 431 and 443.

(c) An inspection of a facility where a consumable hemp product is being manufactured, processed, packed, or held for introduction into commerce under subsection (b) of this section must not extend to:

(1) financial data;

(2) sales data other than shipment data;

(3) pricing data;

(4) personnel data other than data relating to the qualifications of technical and professional personnel performing functions under this chapter; or

(5) research data other than data:

(A) relating to new consumable hemp products; and

(B) subject to reporting and inspection under 21 United States Code (U.S.C.) §§355, 360i, or 360j.

(d) The inspector must start and complete the inspection under subsection (b) of this section with reasonable promptness.

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 March 2, 2026.
TRD-202601064



SUBCHAPTER B. MANUFACTURE, PROCESSING, AND DISTRIBUTION OF CONSUMABLE HEMP PRODUCTS

25 TAC §§300.201 - 300.208

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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.201. *Application for License or Renewal.*

(a) A person must hold a consumable hemp products license issued by the department before engaging in manufacturing or processing of consumable hemp products. A person must hold a wholesaler license per Texas Health and Safety Code (HSC) Chapter 431 before engaging in the distribution of consumable hemp products.

(b) A person must apply for a consumable hemp products license by submitting an application to the department for each location engaged in manufacturing or processing consumable hemp products. The application must include:

(1) a legal description of each location, including the global positioning system coordinates for the perimeter of each location:

(A) where the applicant intends to manufacture or process consumable hemp products; and

(B) where the applicant intends to store consumable hemp products;

(2) written consent from the applicant or property owner, if the applicant is not the property owner, for the department, the Department of Public Safety, Texas Alcoholic Beverage Commission, and any other state or local law enforcement agencies to enter all premises where consumable hemp is manufactured, processed, or delivered for physical inspection or to ensure compliance with this chapter; and

(3) a fingerprint-based criminal background check from each applicant at the applicant's expense.

(c) If the applicant has been convicted of a felony relating to a controlled substance under federal law or the law of any state within 10 years before the date of application, the department must not issue a consumable hemp products license under this subchapter.

(d) If the department receives information that a license holder has been convicted of a felony relating to a controlled substance under federal law or the law of any state within 10 years before the license was issued, the department must revoke the consumable hemp products license.

(e) A person holding a consumable hemp products license under this subchapter must undergo a fingerprint-based criminal background check at the person's own expense.

(f) Applications must contain the following information:

(1) the name of the license applicant;

(2) the business name, if different from the applicant's name, and any other names under which the firm does business, if applicable;

(3) the mailing address of the business;

(4) the street address of the facility;

(5) the primary business contact telephone number;

(6) the personal email address of the applicant; and

(7) the email address of the business, if different than the applicant's email address.

(g) If a person owns or operates two or more facilities, each facility must have a separate license with its own application form, listing the name and address of each facility.

(h) Applicants must submit an application for a consumable hemp products license request under this subchapter electronically through www.Texas.gov. The department is authorized to collect fees to recover costs associated with application and renewal application processing through www.Texas.gov.

(i) All fees required by the department must be submitted with the application.

(j) Applicants must provide any additional information required by the department, as specified on the application forms.

(k) The facility must display the consumable hemp products license issued by the department in an obvious and conspicuous public location.

§300.202. *License Term and Fees.*

(a) A consumable hemp product license is valid for one year from the date displayed on the license and must be renewed annually. An expired license is not current or valid. A person must not process hemp or manufacture a consumable hemp product without a valid license.

(b) The department must issue and renew a license if the license holder:

(1) is eligible to obtain a license under §300.201 of this subchapter (relating to Application for License or Renewal);

(2) submits a license fee to the department;

(3) does not owe outstanding fees to the department;

(4) possesses testing results of consumable hemp products before manufacture, distribution, or sale into commerce, and provides those testing results upon department request;

(5) has not been convicted of a felony relating to a controlled substance under federal law or the law of any state in the 10 years before the date of renewal of the license;

(6) submits a complete application; and

(7) has not had a consumable hemp products license revoked for sale to a minor in the preceding five years from the date on which an application is submitted to the department.

(c) Fees.

(1) Before manufacturing or processing consumable hemp products, a license holder must pay a fee of \$10,000 per facility. License renewal fees are \$10,000 per facility.

(2) For each facility, a license holder must pay:

(A) a \$10,000 fee for an amendment to a new license due to a change of ownership of the licensed facility; or

(B) a \$125.00 fee for any amendment during the licensure period due to minor changes, such as change of location, change of name, or change of address.

(3) Fees are not prorated.

(4) A person who files a renewal application after the expiration date of the current license must pay an additional delinquency fee of \$1,000.

(d) An application for an amendment of a consumable hemp product license is complete when the department has received, reviewed, and found acceptable the application information and fee required by subsection (c) of this section.

(e) An initial and renewal application for a consumable hemp product license must be processed in the following time periods:

(1) the first time period of 45 calendar days begins on the date the department receives a completed application. If the department receives an incomplete application, the period ends on the date the department issues a written notice that the application is incomplete. The department must issue the written notice within 60 calendar days after receiving the incomplete application and describe the specific information or fee required before the application is considered complete;

(2) the second time period of 45 calendar days begins on the date the department receives a completed application and ends on the date the department issues the license or issues a written notice that the application is being proposed for denial; and

(3) the third time period of 135 calendar days begins on the date the department issues the written notice to the applicant as described in paragraph (1) of this subsection. If the applicant fails to submit the requested information or fee within this period, the department considers the application withdrawn.

(f) Reimbursement of fees:

(1) in the event the application is not processed within the time periods stated in subsection (e) of this section, the applicant has the right to make a written request within 30 business days after the end of the second time period that the department shall reimburse in full the fee paid in that application process; and

(2) if the department finds that good cause does not exist for exceeding the established periods, the request shall be approved, and the department shall notify the applicant in writing of the approval of the reimbursement within 30 business days after the department's decision.

§300.203. Access to Records.

(a) A person who is required to maintain records under this chapter or 21 United States Code (U.S.C.) §360i or §360j must maintain records on site for immediate inspection. Upon request by the department or the Texas Alcoholic Beverage Commission, the person must provide access to records for review or copying to verify that consumable hemp products are being produced in accordance with United States Department of Agriculture under 7 U.S.C. Chapter 38, Subchapter VII, or Texas Agriculture Code Chapter 121.

(b) A person regulated under Texas Agriculture Code Chapter 122 must provide the department with test results of hemp or hemp

products upon request. These results must show that the total delta-9 tetrahydrocannabinol concentration is not more than 0.3 percent on a dry weight basis.

(c) Records described in this chapter must be maintained for a period of no less than three years after the date the records are created.

(d) A consumable hemp manufacturer or processor must maintain the following records, as applicable:

(1) certificate of analysis (COA) of raw hemp and hemp ingredients in accordance with §300.301(b)(1) - (3) and §300.301(c) of this chapter (relating to Testing Required);

(2) COA of finished hemp products by batch number;

(3) source of ingredients, including:

(A) receiving records with address and contact information from suppliers, distributors, warehouses, or any person engaged in the business of making a consumer product directly or indirectly; or

(B) licensing documentation, if applicable, from the supplier's respective hemp or food regulating authority;

(4) batch production records;

(5) recalled product information;

(6) consumer complaints;

(7) other records required by the department, including corrective action logs, destruction logs, equipment calibration records, or other accurate reproductions of the original records, or electronic records; and

(8) master production records.

(e) Records must contain actual values and observations. Records must be accurate, permanent, legible, and created concurrently with performance of the activity documented. Records can be electronic. Records must be detailed enough to provide a history of work performed, and include:

(1) the name and, if more than one, the location of the plant or facility;

(2) the date and time of the documented activity

(3) the signature or initials of the person performing the activity; and

(4) the identity of the product and the batch number.

§300.204. Master Production Records.

(a) To ensure uniformity from batch to batch, one person must prepare, date, and sign with full handwritten signature, the master production records for each consumable hemp product, including batch size. A second person must independently check, date, and sign these records. The preparation of master production and control records must be described in a written procedure that the firm must follow.

(b) Master production records must include:

(1) the name and weight or measure of each ingredient;

(2) a complete list of ingredients;

(3) a statement of any calculated excess of a by-product; and

(4) complete manufacturing instructions and specifications.

§300.205. Batch Production Records.

Batch production records must be prepared for each batch of consumable hemp product produced and must include complete information regarding each batch. These records must include, if applicable:

- (1) the appropriate master product record, checked for accuracy, dated, and signed; and
- (2) documentation that each step in the manufacture, processing, packaging, or holding of the batch was accomplished, including:
 - (A) dates;
 - (B) identity of individual major equipment and lines used;
 - (C) weight and measure of ingredients;
 - (D) in-process results;
 - (E) laboratory control results, if applicable;
 - (F) inspection of the packaging and labeling area before and after use;
 - (G) statement of the actual yield;
 - (H) complete labeling records, including copies of all labeling used;
 - (I) any sampling performed;
 - (J) any investigation conducted;
 - (K) any destruction of tetrahydrocannabinol;
 - (L) any rework conducted; and
 - (M) certificate of analysis of hemp or hemp derivative used in the manufacture of a consumable hemp product.

§300.207. Recalls.

(a) Recall Procedures. All facilities engaged in the manufacture, processing, distribution, or retail sale of consumable hemp products must maintain written recall procedures. The recall procedures must describe the steps, assign responsibility, and include at a minimum:

- (1) identification of recalled products;
- (2) immediate removal and segregation of recalled products from sale and active inventory;
- (3) return holding, or disposal of recall products; and
- (4) notification to the public about any hazards presented by the product to protect public health.

(b) Recall plan. Manufacturers, distributors, or processors must establish a recall plan. The recall plan must include the following procedures:

- (1) directly notify the direct consignees of the hemp product, including how to return or dispose of the affected product;
- (2) notify the public about any hazards presented by the product to protect public health;
- (3) conduct effectiveness checks to verify that the recall is carried out; and
- (4) dispose of recalled product appropriately by reprocessing, reworking, diverting to a safe use, or destroying the product.

§300.208. Complaints.

(a) Each manufacturer or processor must maintain complaint files relating to product safety. Each manufacturer or processor must

establish and maintain procedures for receiving, reviewing, and evaluating complaints. The procedures must ensure that:

- (1) all complaints are processed in a uniform and timely manner;
- (2) oral complaints are documented upon receipt; and
- (3) complaints are evaluated to determine whether the complaint represents an event that must be reported to the FDA and the department.

(b) Each manufacturer or processor must review and evaluate all complaints to determine whether an investigation is necessary. All safety-related complaints must be investigated. If no investigation is made, the manufacturer or processor must maintain a record that includes the reason for not investigating and the name of the individual responsible for the decision.

(c) Any complaint about labeling or packaging not meeting specifications must be reviewed, evaluated, and investigated, unless a similar complaint has already been investigated and another investigation is not needed.

(d) The record of the investigation must include:

- (1) the name of the product;
- (2) the date the complaint was received;
- (3) the batch number and batch date of product used;
- (4) the name, address, and phone number of the complainant;
- (5) the nature and details of the complaint;
- (6) the dates and results of the investigation;
- (7) any corrective action taken; and
- (8) any reply to the complainant.

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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Cynthia Hernandez

General Counsel

Department of State Health Services

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For further information, please call: (512) 719-3521



SUBCHAPTER C. TESTING OF CONSUMABLE HEMP PRODUCTS

25 TAC §§300.301 - 300.303

STATUTORY AUTHORITY

The amended 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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the

administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.301. Testing Required.

(a) Before a hemp plant is processed or otherwise used in the manufacture of a consumable hemp product, a representative sample must be tested to determine:

- (1) the concentration and identity of the cannabinoids, including all acids in the plant;
- (2) the presence and quantity of heavy metals, pesticides, microbial contamination, and other substances prescribed by the department;
- (3) the presence and concentration of d-9 THC, total d-9 THC, and total THC; and
- (4) a total delta-9 tetrahydrocannabinol concentration of 0.3% or less on a dry weight basis.

(b) Before a consumable hemp product, including hemp-derived ingredients used for further processing into another consumable hemp product, is sold at retail, distributed, or otherwise introduced into commerce in this state, a representative sample must be tested to determine:

- (1) the presence, concentration, and identity of cannabinoids;
- (2) the presence and concentration of d-9 THC, total d-9 THC, and total THC;
- (3) the presence and quantity of residual solvents, heavy metals, pesticides, and harmful pathogens; and
- (4) the total delta-9 tetrahydrocannabinol concentration is 0.3% or less on a dry weight basis.

(c) A certificate of analysis (COA) documenting tests conducted under this subchapter must:

- (1) be made available to the department upon request in an electronic format before manufacture, processing, or distribution into commerce; and
- (2) include measurement of uncertainty analysis parameters.

(d) The COA must contain, at a minimum, the following information:

- (1) laboratory name, address, and contact information;
- (2) hemp cultivator, hemp processor, or hemp manufacturer's name and address;
- (3) sampler identification;
- (4) sample identifying information, including matrix type;
- (5) lot identification number of sample;
- (6) sample received date and the dates of sample analyses and corresponding testing results;
- (7) units of measure;
- (8) analytical methods, analytical instrumentation used, and corresponding limits of detection (LOD) and limits of quantitation (LOQ);
- (9) expiration date;

(10) QR code on the COA verifying the authenticity of testing conducted at an accredited laboratory;

(11) measurement of uncertainty analysis parameters; and

(12) results of all requested analyses performed for the sample, including percentage of delta-9 THC, total delta-9 THC, and total THC per container.

(e) It is a violation if a person forges, falsifies, or alters the results of a laboratory test authorized or required by this chapter. Consumable hemp products found in violation of this subsection must be retested and are subject to detention or embargo under Texas Health and Safety Code §431.048.

(f) Expired COAs are not valid. Consumable hemp products with expired COAs must be retested and are subject to detention or embargo under Texas Health and Safety Code §431.048.

§300.302. Sample Analysis of Consumable Hemp Products.

(a) This chapter does not apply to low-THC cannabis regulated under Texas Health and Safety Code Chapter 487.

(b) Regardless of any other law, a person must not sell, offer for sale, possess, distribute, or transport a consumable hemp product in this state if the consumable hemp product contains any material extracted or derived from the plant *Cannabis sativa L.*, other than from hemp produced in compliance with 7 United States Code (U.S.C.) Chapter 38, Subchapter VII, and:

(1) a representative sample of the consumable hemp product has been tested by an accredited laboratory and found to have a total delta-9 THC concentration of 0.3% or less on a dry weight basis, that, when reported with the accredited laboratory's measurement of uncertainty, produces a distribution or range that includes a result of 0.3% or less; and

(2) testing results are provided to the department upon request.

(c) The department must conduct random testing of consumable hemp products at various retail and other facilities that sell or distribute products to ensure the products:

- (1) do not contain harmful ingredients;
- (2) are produced in compliance with 7 U.S.C. Chapter 38, Subchapter VII; and

(3) have a total delta-9 THC content concentration level on a dry weight basis, that, when reported with the accredited laboratory's measurement of uncertainty, produces a distribution or range that includes a result of 0.3% or less.

(d) Upon request by the department, the manufacturer, processor, distributor, or retailer of consumable hemp products must provide representative raw or finished consumable hemp product samples to the department. These samples must be provided at the licensee's or registrant's expense.

§300.303. Provisions Related to Testing.

(a) A consumable hemp product that exceeds the acceptable hemp THC level or is adulterated in a manner harmful to human consumption must not be sold at retail or otherwise introduced into commerce in this state.

(b) A hemp manufacturer, processor, distributor, and retailer must provide the results of testing required by §300.301 of this subchapter (relating to Testing Required) to the consumer, the Texas Alcoholic Beverage Commission, and department upon request.

(c) A license holder must not use an independent testing accredited laboratory unless the license holder:

(1) has no ownership interest in the accredited laboratory; or

(2) holds 10 percent or less ownership interest in the accredited laboratory if the accredited laboratory is a publicly traded company.

(d) A manufacturer, processor, or retailer must pay the costs of raw and finished hemp product testing in an amount prescribed by the accredited laboratory selected by the license holder.

(e) The department may require that a copy of the test results be sent directly to the department.

(f) A manufacturer, processor, and retailer must retain results from samples for at least three years from the date that testing results are received.

(g) A manufacturer and processor of consumable hemp products must conduct sampling and testing using acceptance criteria determined by the department.

(h) A manufacturer, processor, and retailer must ensure all products are tested for the most current list of analytes maintained by the department.

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. RETAIL SALE OF CONSUMABLE HEMP PRODUCTS

25 TAC §§300.402 - 300.407

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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.402. *Packaging and Labeling Requirements.*

(a) All consumable hemp products marketed as containing cannabinoids must, in addition to the requirements of §300.102 of this chapter (relating to Applicability of Other Rules and Regulations), be labeled in the manner provided by this section with the following information:

- (1) batch number;
- (2) batch date;
- (3) product name;
- (4) name of the product's manufacturer or processor;
- (5) telephone number and email address of manufacturer or processor;

(6) a uniform resource locator (URL) that provides or links to a certificate of analysis (COA) for the product or each hemp-derived ingredient of the product, including the amount of cannabinoid in each serving or unit of the product, the amount of total THC, and total delta-9 THC. The URL must:

- (A) be conspicuously marked; and
 - (B) directly link to a webpage where the required COA may be found in three or fewer steps; and
- (7) recommended serving size in milligrams and servings per container.

(b) Labels must include the following specific warnings:

- (1) keep out of reach of children;
- (2) product may contain tetrahydrocannabinol (THC) and can cause a user to fail a drug test;
- (3) all THCs have psychoactive properties;
- (4) pregnant or nursing women should consult a healthcare provider before use; and
- (5) this product has not been evaluated by the FDA.

(c) The label required by this section must appear on the outer packaging of each product intended for individual retail sale.

§300.403. *Retail Sale of Out-Of-State Consumable Hemp Products.*

A person selling consumable hemp products in Texas, that are processed or manufactured outside of Texas must comply with this chapter, and upon request, submit to the department evidence that the products were processed or manufactured in another state or a foreign jurisdiction in compliance with:

- (1) a state or tribal or jurisdiction's plan approved by the United States Department of Agriculture under 7 United States Code (U.S.C.) §1639p;
- (2) a plan established under 7 U.S.C. §1639q if that plan applies to the state or jurisdiction; or
- (3) the laws of a foreign jurisdiction if the products are tested in accordance with §300.301 of this chapter (relating to Testing Required), comply with acceptable hemp THC levels, and comply with federal regulations.

§300.405. *Packaging Requirements.*

Before selling or distributing a consumable hemp product, the product must be prepackaged or, at the time of sale, placed in packaging or a container that is:

- (1) tamper-evident;
- (2) child resistant; and
- (3) resealable, if the product contains multiple servings or includes multiple products purchased in one transaction, while keeping the child-resistant mechanism intact.

§300.406. *Packaging and Labeling Control.*

(a) There must be clear written procedures describing in sufficient detail the process for receipt, identification, storage, handling, and examination of labeling and packaging materials.

(b) Labeling and packaging materials must be examined upon receipt and before use in packaging or labeling of a consumable hemp product. All labels and packaging material meeting appropriate written criteria must be approved by a qualified individual as defined in 25 TAC §229.211(54) (relating to Definitions) and released for use. Any labeling or packaging materials that do not meet such criteria must be rejected to prevent use in unsuitable operations.

(c) Records must be maintained for each shipment received of each different labeling and packaging material indicating receipt, examination, and whether accepted or rejected.

(d) Obsolete or rejected labeling and other packaging must be destroyed.

(e) Labeling materials issued for a batch must be carefully examined for identity and conformity to the labeling specified in the master production records.

(f) Labeling not currently being applied must be stored in a manner to prevent mix-ups with active labeling and ensure appropriate use.

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SUBCHAPTER E. REGISTRATION FOR RETAILERS OF CONSUMABLE HEMP PRODUCTS

25 TAC §300.501, §300.502

STATUTORY AUTHORITY

The amended 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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.501. *Registration Required for Retailers of Certain Products.*

(a) This chapter does not apply to:

(1) low-THC cannabis regulated under Texas Health and Safety Code Chapter 487; or

(2) products approved by the FDA, or recognized by the FDA under 21 Code of Federal Regulations Part 182, Substances Generally Recognized as Safe (GRAS).

(b) A person must not sell consumable hemp products at retail in Texas unless the person registers each location with the department. This includes any location owned, operated, or controlled by the person where consumable hemp products are sold.

(c) A person is not required to register with the department under subsection (b) of this section if the person is:

(1) an employee of a registrant; or

(2) an independent contractor of a registrant who sells the registrant's products at retail.

§300.502. *Application.*

(a) A person must register under this subchapter by submitting an application in the manner prescribed by the department.

(b) The owner, operator, or owner designee must submit an application that contains the following information:

(1) the name under which the business is operated;

(2) the mailing address of the facility;

(3) the street address of each location;

(4) the primary business contact telephone number;

(5) the phone number for each location;

(6) the primary business email address; and

(7) the written consent from the applicant or property owner, if the applicant is not the property owner, for the department, Department of Public Safety, Texas Alcoholic Beverage Commission, and other state or local law enforcement agencies to enter all premises where consumable hemp is manufactured, processed, sold, or delivered for physical inspection or to ensure compliance with this chapter.

(c) A retail hemp registration is valid for one year from the date displayed on the registration and must be renewed annually. An expired registration is not current or valid. A person must not sell at retail or offer to sell a consumable hemp product without a valid registration.

(d) An initial and renewal application for a retail hemp registration must be processed in the following time periods.

(1) The first time period of 45 calendar days begins on the date the department receives a completed application. If the department receives an incomplete application, the period ends on the date the department issues a written notice that the application is incomplete. The department must issue the written notice within 60 calendar days after receiving the incomplete application and describe the specific information or fee required before the application is considered complete.

(2) The second time period of 45 calendar days begins on the date the department receives a completed application and ends on the date the department issues the license or issues a written notice that the application is being proposed for denial.

(3) The third time period of 135 calendar days begins on the date the department issues the written notice to the applicant as described in paragraph (1) of this subsection. If the applicant fails to submit the requested information or fee within this period, the department considers the application withdrawn.

(e) Proof of registration from the department must be prominently displayed in a conspicuous location visible to the public.

(f) Applicants must submit an application for registration electronically through www.Texas.gov.

(g) All fees required by the department must be submitted with the application.

(1) A retail hemp registration or renewal fee of \$5,000 for each location is required before the sale of consumable hemp product.

(2) A person who files a renewal application after the expiration date of the current registration must pay an additional delinquency fee of \$1,000.

(3) A \$125 fee is required for any amendment during the registration period due to minor changes, such as change of location, change of name, or change of address.

(4) Fees are not prorated.

(h) Reimbursement of fees:

(1) in the event the application is not processed within the time periods stated in subsection (d) of this section, the applicant has the right to make a written request within 30 business days after the end of the second time period that the department reimburse in full the fee paid in that application process; and

(2) if the department finds that good cause does not exist for exceeding the established periods, the request shall be approved, and the department shall notify the applicant in writing of the approval of the reimbursement within 30 business days after the department's decision.

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 F. ENFORCEMENT

25 TAC §§300.601 - 300.606

STATUTORY AUTHORITY

The amended 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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.601. *Violation of Department License or Registration Requirement.*

(a) A person commits a violation if the person manufactures, processes, distributes, sells, or otherwise introduces a consumable

hemp product into commerce without a license or registration required by the department under:

(1) §300.201 of this chapter (relating to Application for License or Renewal) for manufacturing, processing, or distribution of consumable hemp products; or

(2) §300.502 of this chapter (relating to Application) for the retail sale of consumable hemp products.

(b) Each day a violation continues or occurs counts as a separate violation when calculating an administrative penalty.

§300.603. *Detained or Embargoed Article.*

The department must attach a tag or other appropriate marking to an article that is a food, drug, device, cosmetic, or consumer commodity that gives notice that the article is, or is suspected of being, adulterated or misbranded. The department tags or marks any detained or embargoed article if the department finds or has probable cause to believe the article:

(1) is adulterated;

(2) is misbranded so that the article is dangerous or fraudulent under this chapter; or

(3) is in violation of Texas Health and Safety Code §431.084, §431.114, or §431.115.

§300.606. *Administrative Penalty.*

(a) The department may impose an administrative penalty against a person who violates this chapter.

(b) The department must notify a retailer of consumable hemp products of a potential violation and provide the registrant an opportunity to resolve unintentional or negligent violations after being notified by the department.

(c) The department assesses administrative penalties based upon one or more of the following criteria:

(1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited acts, and the hazard or potential hazard created to the health, safety, or economic welfare of the public;

(2) the history of previous violations;

(3) the amount necessary to deter future violations;

(4) the efforts to correct the violation; and

(5) any other matter that justice may require in relation to the violation.

(d) If the department determines that a violation has occurred, the department must issue a notice of violation. The notice must state the facts on which the determination is based. The notice must include an assessment of the penalty.

(e) The notice of violation must be in writing and be sent to the license holder or registrant by certified mail. The notice must include a summary of the alleged violation and a statement of the amount of the recommended penalty and must inform the person of a right to a hearing on the occurrence of the violation, the amount of the penalty, or both the occurrence of the violation and the amount of the penalty.

(f) Within 20 business days after the date the person receives the notice of violation, the person in writing may accept the determination and recommended penalty of the department or may make a written request for a hearing on the occurrence of the violation, the amount of the penalty, or both the occurrence of the violation and the amount of the penalty.

(g) If the person accepts the determination and recommended penalty, the department issues an order imposing the recommended penalty.

(h) If the person charged with the violation does not respond in writing within 20 business days after the date the person receives the notice of violation, the department may determine that a violation occurred and assesses the penalty. The department must issue an order requiring that the person pay the penalty.

(i) If the person requests a hearing, the department refers the matter to the State Office of Administrative Hearings.

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. RESTRICTIONS ON SALE TO MINORS

25 TAC §300.701, §300.702

STATUTORY AUTHORITY

The 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, HSC §1001.075, which authorizes the executive commissioner of HHSC to adopt rules and policies for the operation and provision of health and human services by DSHS and for the administration of HSC Chapter 1001, Texas Government Code §524.0005, and HSC §12.001, HSC Chapter 431, and HSC Chapter §443.051.

§300.701. *Restriction on Sale to Minors.*

(a) A person is prohibited from delivering, selling, or offering to sell a consumable hemp product to a minor.

(b) A person who sells CHP must verify each purchaser's age by reviewing a valid proof of identification before completing the sale of any CHP.

(c) A valid proof of identification may include a driver's license issued by Texas or another state, a passport, or an identification card issued by a state or government agency. A valid proof of identification must meet the following criteria:

- (1) include a physical description and a photograph that matches the person's appearance;
- (2) provide the individual's date of birth;
- (3) be issued by a government agency; and
- (4) is not expired.

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 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 20. STATEWIDE PROCUREMENT AND SUPPORT SERVICES

SUBCHAPTER E. SPECIAL CATEGORIES OF CONTRACTING

DIVISION 1. STATE SUPPORT SERVICES - MAIL AND PRINTING

34 TAC §20.382

The Comptroller of Public Accounts adopts amendments to §20.382, concerning printing, without changes to the proposed text as published in the January 9, 2026, issue of the *Texas Register* (51 TexReg 195). The rule will not be republished.

The comptroller amends subsection (a) to remove unnecessary language that merely recites the statute. The revised language provides that §20.382 does not apply to institutions of higher education. The revised language aligns this section with Government Code, §2172.003(d).

The comptroller amends subsection (b) to streamline language. The revised language provides that the comptroller may assess and evaluate printing operations of state agencies and make recommendations to increase productivity and cost-effectiveness.

The comptroller amends subsection (c) to remove the outdated Council on Competitive Government's (CCG) Cost Methodology as a baseline for evaluating and comparing cost of state agency printing operations. CCG has been abolished. The new language provides all state agency print shops in Travis County shall operate under an interagency contract, and an interagency contract is the sole method through which the comptroller will authorize a state agency in Travis County to operate a print shop.

The comptroller amends subsection (d) to provide that the comptroller's review of print shop equipment purchases under §20.382 is optional. Subsection (d) now states that the comptroller may review state agency requisitions for new print shop equipment, including copiers and other printing devices. The new language also provides instruction on how to initiate the review, and lists written documentation the state agency may provide the comptroller for review. It eliminates items the comptroller will no longer review, because it is duplicative or irrelevant to the comptroller's

review. The amendment renumbers the paragraphs in subsection (d) to adjust for the deleted language.

The comptroller amends subsection (f) to describe the comptroller's internet portal for obtaining quotes from print shops. Because the print shop portal has replaced the print shop roster formerly maintained by the comptroller, the amended subsection (f) no longer mentions the roster. The amended subsection (f) also provides that institutions of higher education and agencies with print shops outside Travis County may participate in the portal by entering an interagency agreement with the comptroller.

The comptroller deletes subsection (g). The comptroller maintains the online Centralized Master Bidders List as described in §20.107 of this title. Maintaining a printed listing as described in the former subsection (g) would merely duplicate the same information in a less useful format.

The amendment renumbers former subsection (h), to subsection (g).

The comptroller did not receive any comments regarding adoption of the amendment.

These amendments are adopted under Government Code, §2172.003 which provides that the comptroller shall adopt rules for state agencies to implement Chapter 2172 regarding printing activities; and assess and evaluate those activities.

These amendments implement Government Code Chapter 2172.

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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Don Neal

General Counsel, Operations and Support Legal Services

Comptroller of Public Accounts

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TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 19. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

CHAPTER 704. PREVENTION AND EARLY INTERVENTION SERVICES

The Department of Family and Protective Services (DFPS) adopts the repeal of Title 40, Texas Administrative Code (TAC), Chapter 704, relating to Prevention and Early Interventions Services including §§704.1, 704.3, 704.201, 704.203, 704.205, 704.207, 704.209, 704.601, 704.603, 704.701, 704.703, 704.801, 704.803. The proposal was published in the January 30, 2026, issue of the *Texas Register* (51 TexReg 539). The repeals of the rules are adopted without changes to the proposed text and will not be republished.

BACKGROUND AND JUSTIFICATION

In 2023, Senate Bill 24 of the 88th Regular Legislative Session transferred the Prevention and Early Intervention (PEI) Services Division from DFPS to the Health and Human Services Commission (HHSC). Chapter 704 contains the rules previously adopted by DFPS to govern the former PEI Division. As DFPS no longer oversees this program, the rules in Chapter 704 are no longer necessary.

COMMENTS

The 30-day comment period ended March 1, 2026. During this period, DFPS did not receive any comments regarding the rules repealed.

SUBCHAPTER A. PURPOSE AND DEFINITIONS

40 TAC §704.1, §704.3

STATUTORY AUTHORITY

The repeals are adopted under Texas Human Resources Code §40.027 which provides that DFPS shall oversee the development of rules relating to matters within the department's jurisdiction and notwithstanding any other law, shall adopt rules for the operation and provision of services by the department. Additionally, Senate Bill 24 (88th Regular Legislative Session) transferred the statutory provisions governing PEI from the Family Code and Human Resources Code into a new Human Resources Code Chapter, Chapter 137, to be administered by HHSC.

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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Sanjuanita Maltos

Rules Coordinator

Department of Family and Protective Services

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For further information, please call: (512) 945-5978



SUBCHAPTER C. PREVENTION AND INTERVENTION PRIMARY RESPONSIBILITIES

40 TAC §§704.201, 704.203, 704.205, 704.207, 704.209

STATUTORY AUTHORITY

The repeals are adopted under Texas Human Resources Code §40.027 which provides that DFPS shall oversee the development of rules relating to matters within the department's jurisdiction and notwithstanding any other law, shall adopt rules for the operation and provision of services by the department. Additionally, Senate Bill 24 (88th Regular Legislative Session) transferred the statutory provisions governing PEI from the Family Code and Human Resources Code into a new Human Resources Code Chapter, Chapter 137, to be administered by HHSC.

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. INFANT MORTALITY PREVENTION AND EDUCATION PROGRAM

40 TAC §704.601, §704.603

STATUTORY AUTHORITY

The repeals are adopted under Texas Human Resources Code §40.027 which provides that DFPS shall oversee the development of rules relating to matters within the department's jurisdiction and notwithstanding any other law, shall adopt rules for the operation and provision of services by the department. Additionally, Senate Bill 24 (88th Regular Legislative Session) transferred the statutory provisions governing PEI from the Family Code and Human Resources Code into a new Human Resources Code Chapter, Chapter 137, to be administered by HHSC.

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SUBCHAPTER H. COMMUNITY-BASED FAMILY SERVICES GRANT PROGRAM

40 TAC §704.701, §704.703

STATUTORY AUTHORITY

The repeals are adopted under Texas Human Resources Code §40.027 which provides that DFPS shall oversee the development of rules relating to matters within the department's

jurisdiction and notwithstanding any other law, shall adopt rules for the operation and provision of services by the department. Additionally, Senate Bill 24 (88th Regular Legislative Session) transferred the statutory provisions governing PEI from the Family Code and Human Resources Code into a new Human Resources Code Chapter, Chapter 137, to be administered by HHSC.

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Department of Family and Protective Services

Effective date: March 23, 2026

Proposal publication date: January 30, 2026

For further information, please call: (512) 945-5978



SUBCHAPTER I. CHILDREN'S TRUST FUND

40 TAC §704.801, §704.803

STATUTORY AUTHORITY

The repeals are adopted under Texas Human Resources Code §40.027 which provides that DFPS shall oversee the development of rules relating to matters within the department's jurisdiction and notwithstanding any other law, shall adopt rules for the operation and provision of services by the department. Additionally, Senate Bill 24 (88th Regular Legislative Session) transferred the statutory provisions governing PEI from the Family Code and Human Resources Code into a new Human Resources Code Chapter, Chapter 137, to be administered by HHSC.

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 March 3, 2026.

TRD-202601094

Sanjuanita Maltos

Rules Coordinator

Department of Family and Protective Services

Effective date: March 23, 2026

Proposal publication date: January 30, 2026

For further information, please call: (512) 945-5978





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

Texas Department of Public Safety

Title 37, Part 1

The Texas Department of Public Safety (the department) files this notice of intent to review the following chapters in Texas Administrative Code, Title 37, Part 1:

Chapter 2 (Capitol Access Pass)

Chapter 3 (Texas Highway Patrol)

Chapter 8 (Capitol Complex)

Chapter 9 (Public Safety Communications)

Chapter 14 (School Bus Safety Standards)

Chapter 15 (Driver License Rules)

Chapter 16 (Commercial Driver License)

Chapter 23 (Vehicle Inspection)

Chapter 25 (Safety Responsibility Regulations)

Chapter 35 (Private Security)

Chapter 37 (Sex Offender Registration)

This review is being conducted in accordance with the requirements of Texas Government Code, §2001.039, which requires state agencies to review and consider for readoption each of their rules every four years.

Written comments pertaining to this rule review may be submitted to: Susan Estringel, Office of General Counsel, Texas Department of Public Safety, P.O. Box 4087, Austin, Texas 78773-0140, or by email to Susan.Estringel@dps.texas.gov. To ensure consideration, comments must clearly specify the particular section of the rule to which they apply and be postmarked or emailed no later than the 31st day following publication in the *Texas Register*. General comments should be labeled as such and, when appropriate, include proposed alternative language.

During the review, the department will assess whether the original reasons for adopting these rules continue to exist and determine whether each rule should be readopted as is, amended, or be repealed. Any

proposed changes to these chapters resulting from the review will be published in the Proposed Rules section of the *Texas Register*. The proposals will be open for the standard 30-day public comment period prior to final adoption by the department.

TRD-202601131

D. Phillip Adkins

General Counsel

Texas Department of Public Safety

Filed: March 9, 2026



Adopted Rule Reviews

Texas Board of Architectural Examiners

Title 22, Part 1

The Texas Board of Architectural Examiners (Board) has completed the review of Texas Administrative Code (TAC), Title 22, Part 1, Chapters 1, 3, 5, and 7, relating to Architects, Landscape Architects, Registered Interior Designers, and Administration, respectively.

The rule review was conducted pursuant to Texas Government Code, §2001.039. The proposed notice of intent to review rules was published in the November 21, 2025 issue of the *Texas Register* (50 TexReg 7585). The Board received no comments in response to that notice.

The Board finds that the reasons for adopting all rules in Chapters 1, 3, 5, and 7 continue to exist, and therefore readopts all Board rules in accordance with the requirements of Texas Government Code, §2001.039.

This concludes the review of TAC, Title 22, Part 1, Chapters 1, 3, 5, and 7.

TRD-202601133

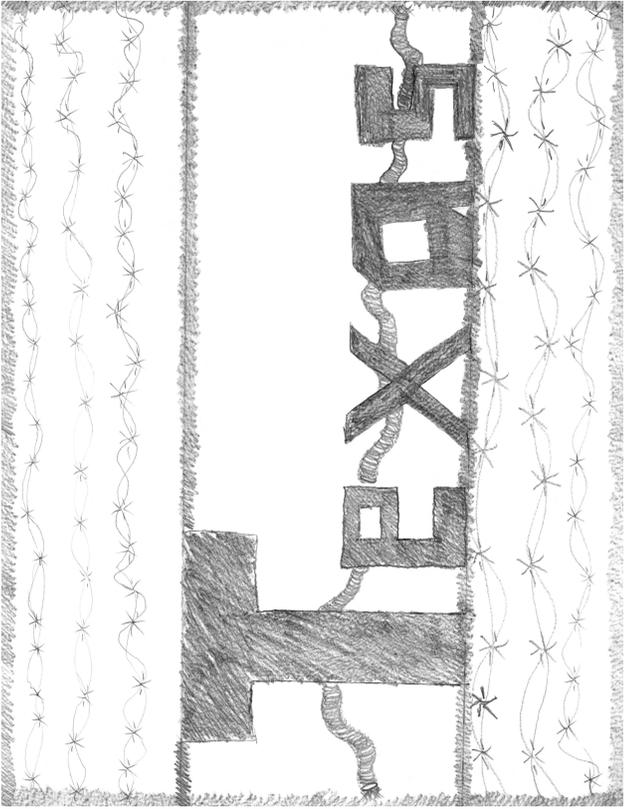
Pim Mayo

General Counsel

Texas Board of Architectural Examiners

Filed: March 9, 2026





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.

Concho Valley Workforce Development Board

Request for Qualifications Independent Proposal Evaluators

The Concho Valley Workforce Development Board is soliciting proposals from qualified Independent Proposal Evaluators to review and score proposals submitted in response to the Board's upcoming Request for Proposals (RFP) for the Operation and Management of Workforce Solutions of the Concho Valley. Up to three evaluators will be selected, including one Lead Evaluator. Evaluators will review, score, and provide written assessments of submitted proposals in accordance with established criteria and applicable state and federal regulations.

The RFQ can be found at <https://cvworkforce.org/about/list-of-rf-prfq.html>

Submit responses via email only to the following Board designated email:

procurementresponses@cvworkforce.org

Responses must be received no later than: **March 31, 2026, 12:00 p.m. CDT**

TRD-202601108

Yolanda Sanchez

Executive Director

Concho Valley Workforce Development Board

Filed: March 4, 2026

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 03/16/26 - 03/22/26 is 18.00% for consumer¹ credit.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 03/16/26 - 03/22/26 is 18.00% for commercial² credit.

¹ Credit for personal, family, or household use.

² Credit for business, commercial, investment, or other similar purpose.

TRD-202601149

Leslie L. Pettijohn

Commissioner

Office of Consumer Credit Commissioner

Filed: March 10, 2026

Texas Education Agency

Correction of Error

The Texas Education Agency adopted an amendment to 19 TAC §103.1301 in the March 6, 2026, issue of the *Texas Register* (51 TexReg 1385). Due to an error by the *Texas Register*, the amendment

was published with an incorrect part name in the print version of the *Texas Register* only.

The correct part name is as follows:

PART 2. TEXAS EDUCATION AGENCY

TRD-202601157

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 **April 20, 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 **April 20, 2026**. Written comments may also be sent to the enforcement coordinator by email to ENF-COMNT@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: BRONAUGH, DARREN; DOCKET NUMBER: 2026-0250-WR-E; IDENTIFIER: RN112317268; LOCATION: Tyler, Smith County; TYPE OF FACILITY: operator; PENALTY: \$350; ENFORCEMENT COORDINATOR: Jasmine Jimerson, (512) 239-2552;

REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(2) COMPANY: City of Brazoria; DOCKET NUMBER: 2023-1399-MWD-E; IDENTIFIER: RN101613552; LOCATION: Brazoria, Brazoria County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: \$95,625; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: \$95,625; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(3) COMPANY: City of Electra; DOCKET NUMBER: 2023-0717-PWS-E; IDENTIFIER: RN103783056; LOCATION: Electra, Wichita County; TYPE OF FACILITY: public water supply; PENALTY: \$16,320; ENFORCEMENT COORDINATOR: Elizabeth Vanderwerken, (512) 239-5900; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(4) COMPANY: Colt G & P (North Texas) L.P.; DOCKET NUMBER: 2026-0102-AIR-E; IDENTIFIER: RN100226414; LOCATION: Springtown, Parker County; TYPE OF FACILITY: oil and gas production facility; PENALTY: \$14,025; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(5) COMPANY: Energy Transfer GC NGL Fractionators LLC; DOCKET NUMBER: 2024-1900-AIR-E; IDENTIFIER: RN106018260; LOCATION: Baytown, Chambers County; TYPE OF FACILITY: natural gas processing plant; PENALTY: \$16,600; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: \$6,640; ENFORCEMENT COORDINATOR: Michael Wilkins, (325) 698-6134; REGIONAL OFFICE: 1977 Industrial Boulevard, Abilene, Texas 79602-7833, REGION 3 - ABILENE.

(6) COMPANY: Enterprise Products Operating LLC; DOCKET NUMBER: 2025-1352-AIR-E; IDENTIFIER: RN104201926; LOCATION: Clute, Brazoria County; TYPE OF FACILITY: oil and gas pipeline; PENALTY: \$9,375; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: \$4,687; ENFORCEMENT COORDINATOR: John Burkett, (512) 239-4169; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(7) COMPANY: Gardendale Water Supply Corporation; DOCKET NUMBER: 2025-1174-PWS-E; IDENTIFIER: RN101195881; LOCATION: Cotulla, La Salle County; TYPE OF FACILITY: public water supply; PENALTY: \$2,030; ENFORCEMENT COORDINATOR: Emerson Rinewalt, (512) 239-1131; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(8) COMPANY: H & A ENTERPRISES INC.; DOCKET NUMBER: 2023-1216-PST-E; IDENTIFIER: RN101841757; LOCATION: Texas City, Galveston County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: \$6,303; ENFORCEMENT COORDINATOR: Elizabeth Vanderwerken, (512) 239-5900; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(9) COMPANY: HARROLD WATER SUPPLY CORPORATION; DOCKET NUMBER: 2025-1180-PWS-E; IDENTIFIER: RN101440675; LOCATION: Harrold, Wilbarger County; TYPE OF FACILITY: public water supply; PENALTY: \$5,828; ENFORCEMENT COORDINATOR: Kaisie Hubschmitt, (512) 239-1482; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(10) COMPANY: Horizon Regional Municipal Utility District; DOCKET NUMBER: 2025-0465-MWD-E; IDENTIFIER: RN102329075; LOCATION: El Paso, El Paso County; TYPE OF FACILITY: water treatment facility; PENALTY: \$15,625; ENFORCEMENT COORDINATOR: Taylor Williamson, (512) 239-2097; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(11) COMPANY: OXY USA WTP LP; DOCKET NUMBER: 2021-1088-AIR-E; IDENTIFIER: RN102533445; LOCATION: Denver City, Yoakum County; TYPE OF FACILITY: natural gas processing plant; PENALTY: \$94,316; ENFORCEMENT COORDINATOR: Christina Ferrara, (512) 239-5081; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(12) COMPANY: PALO PINTO WATER SUPPLY CORPORATION; DOCKET NUMBER: 2025-1604-PWS-E; IDENTIFIER: RN101455947; LOCATION: Palo Pinto, Palo Pinto County; TYPE OF FACILITY: public water supply; PENALTY: \$7,380; ENFORCEMENT COORDINATOR: Iliia Perez Ramirez, (512) 239-2556; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(13) COMPANY: Pilot Thomas Logistics LLC; DOCKET NUMBER: 2025-0240-PST-E; IDENTIFIER: RN102219433; LOCATION: Seminole, Gaines County; TYPE OF FACILITY: unmanned facility with retail sales of gasoline; PENALTY: \$14,414; ENFORCEMENT COORDINATOR: Kensington Mikulenska, (512) 239-2545; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(14) COMPANY: RKMMap Enterprises Inc.; DOCKET NUMBER: 2024-1528-PST-E; IDENTIFIER: RN102783867; LOCATION: San Antonio, Bexar County; TYPE OF FACILITY: convenience store; PENALTY: \$3,375; ENFORCEMENT COORDINATOR: Celicia Garza, (210) 657-8422; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(15) COMPANY: Ranger Excavating, L.P.; DOCKET NUMBER: 2025-1488-PST-E; IDENTIFIER: RN101382653; LOCATION: Georgetown, Williamson County; TYPE OF FACILITY: fleet refueling facility; PENALTY: \$3,450; ENFORCEMENT COORDINATOR: Ramya Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(16) COMPANY: Rembert Enterprises, Inc.; DOCKET NUMBER: 2026-0173-WQ-E; IDENTIFIER: RN112342589; LOCATION: Argyle, Denton 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.

(17) COMPANY: Riley Permian Operating Company, LLC; DOCKET NUMBER: 2025-1085-AIR-E; IDENTIFIER: RN110995727; LOCATION: Allred, Yoakum County; TYPE OF FACILITY: oil and natural gas gathering facility; PENALTY: \$6,000; ENFORCEMENT COORDINATOR: Yuliya Dunaway, (210) 403-4077; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(18) COMPANY: S & S 786 LLC; DOCKET NUMBER: 2025-1910-PST-E; IDENTIFIER: RN107573859; LOCATION: Lufkin, Angelina County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: \$6,902; ENFORCEMENT COORDINATOR: Ramya Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(19) COMPANY: Swenson Water Supply Corporation; DOCKET NUMBER: 2025-1602-PWS-E; IDENTIFIER: RN101278083; LOCATION: Aspermont, Stonewall County; TYPE OF FACILITY: public water supply; PENALTY: \$2,835; ENFORCEMENT COORDINATOR: Ilia Perez Ramirez, (512) 239-2556; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(20) COMPANY: Tidehaven Independent School District; DOCKET NUMBER: 2025-1075-MWD-E; IDENTIFIER: RN106942220; LOCATION: El Maton, Matagorda County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: \$17,187; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: \$13,750; ENFORCEMENT COORDINATOR: Kolby Farren, (512) 239-2098; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(21) COMPANY: Valero Refining-Texas, L.P.; DOCKET NUMBER: 2022-1216-AIR-E; IDENTIFIER: RN100214386; LOCATION: Corpus Christi, Nueces County; TYPE OF FACILITY: petroleum refinery; PENALTY: \$56,560; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: \$28,280; ENFORCEMENT COORDINATOR: Krystina Sepulveda, (956) 430-6045; REGIONAL OFFICE: 1804 West Jefferson Avenue, Harlingen, Texas 78550-5247, REGION 15 - HARLINGEN.

(22) COMPANY: Wings for Christ International, Ltd.; DOCKET NUMBER: 2025-1582-WR-E; IDENTIFIER: RN112287933; LOCATION: Lacy Lakeview, McLennan County; TYPE OF FACILITY: impoundment; PENALTY: \$500; ENFORCEMENT COORDINATOR: Madison Travis, (512) 239-4687; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(23) COMPANY: Wolf Hollow I Power, LLC; DOCKET NUMBER: 2022-1093-AIR-E; IDENTIFIER: RN100219195; LOCATION: Granbury, Hood County; TYPE OF FACILITY: power generation plant; PENALTY: \$4,875; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(24) COMPANY: Zhisu Group LLC; DOCKET NUMBER: 2025-1298-PWS-E; IDENTIFIER: RN101278208; LOCATION: Hockley, Harris County; TYPE OF FACILITY: public water supply; PENALTY: \$5,022; ENFORCEMENT COORDINATOR: Katherine Argueta, (512) 239-4131; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

TRD-202601143

Gitanjali Yadav

Deputy Director, Litigation Division

Texas Commission on Environmental Quality

Filed: March 10, 2026



Combined Amended Notice of Public Meeting and Notice of Application and Preliminary Decision for TPDES Permit for Municipal Wastewater New Permit No. WQ0016694001

APPLICATION AND PRELIMINARY DECISION. City of Paradise, 218 Main Street, Paradise, Texas 76073, has applied to the Texas Commission on Environmental Quality (TCEQ) for new Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0016694001, to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 450,000 gallons per day. TCEQ received this application on December 16, 2024.

The facility will be located approximately 0.39 miles south of the intersection of East School House and State Highway 114, in the City of Paradise, in Wise County, Texas 76073. The treated effluent will be discharged to an unnamed tributary, thence to West Fork Trinity River Below Bridgeport Reservoir in Segment No. 0810 of the Trinity River Basin. The unclassified receiving water use is limited aquatic life use for the unnamed tributary. The designated uses for Segment No. 0810 are primary contact recreation, public water supply, and high aquatic life use. In accordance with 30 Texas Administrative Code §307.5 and the *Procedures to Implement the Texas Surface Water Quality Standards* (June 2010), an antidegradation review of the receiving waters was performed. A Tier 1 antidegradation review has preliminarily determined that existing water quality uses will not be impaired by this permit action. Numerical and narrative criteria to protect existing uses will be maintained. This review has preliminarily determined that no water bodies with exceptional, high, or intermediate aquatic life uses are present within the stream reach assessed; therefore, no Tier 2 degradation determination is required. No significant degradation of water quality is expected in water bodies with exceptional, high, or intermediate aquatic life uses downstream, and existing uses will be maintained and protected. The preliminary determination can be reexamined and may be modified if new information is received. This link to an electronic map of the site or facility's general location is provided as a public courtesy and is not part of the application or notice. For the exact location, refer to the application.

<https://gisweb.tceq.texas.gov/LocationMapper/?marker=-97.68221,33.142477&level=18>

The TCEQ Executive Director has completed the technical review of the application and prepared a draft permit. The draft permit, if approved, would establish the conditions under which the facility must operate. The Executive Director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements. The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at Paradise City Hall, 218 Main Street, Paradise, in Wise County, Texas. The application, including any updates, and associated notices are available electronically at the following webpage: <https://www.tceq.texas.gov/permitting/wastewater/pending-permits/tpdes-applications>.

PUBLIC COMMENT / PUBLIC MEETING. You may submit public comments or request a public meeting about this application. The TCEQ will hold a public meeting on this application because it was requested by a local representative.

The purpose of a public meeting is to provide the opportunity to submit comments or to ask questions about the application. A public meeting will be held and will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. A written response to all timely, relevant and material, or significant comments will be prepared by the Executive Director. All formal comments will be considered before a decision is reached on the permit application. A copy of the written response will be sent to each person who submits a formal comment or who requested to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment

Period can be considered if a contested case hearing is granted on this permit application.

The Public Meeting is to be held:

Tuesday, April 28, 2026 at 7:00 p.m.

Paradise High School (Cafeteria)

338 School House Road

Paradise, Texas 76073

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or (800) RELAY-TX (TDD) at least five business days prior to the meeting.

OPPORTUNITY FOR A CONTESTED CASE HEARING. After the deadline for submitting public comments, the Executive Director will consider all timely comments and prepare a response to all relevant and material or significant public comments. **Unless the application is directly referred for a contested case hearing, the response to comments will be mailed to everyone who submitted public comments and to those persons who are on the mailing list for this application. If comments are received, the mailing will also provide instructions for requesting a contested case hearing or reconsideration of the Executive Director's decision.** A contested case hearing is a legal proceeding similar to a civil trial in a state district court.

TO REQUEST A CONTESTED CASE HEARING, YOU MUST INCLUDE THE FOLLOWING ITEMS IN YOUR REQUEST: your name, address, phone number; applicant's name and proposed permit number; the location and distance of your property/activities relative to the proposed facility; a specific description of how you would be adversely affected by the facility in a way not common to the general public; a list of all disputed issues of fact that you submit during the comment period; and the statement "[I/we] request a contested case hearing." If the request for contested case hearing is filed on behalf of a group or association, the request must designate the group's representative for receiving future correspondence; identify by name and physical address an individual member of the group who would be adversely affected by the proposed facility or activity; provide the information discussed above regarding the affected member's location and distance from the facility or activity; explain how and why the member would be affected; and explain how the interests the group seeks to protect are relevant to the group's purpose.

Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

The Commission may only grant a request for a contested case hearing on issues the requestor submitted in their timely comments that were not subsequently withdrawn. **If a hearing is granted, the subject of a hearing will be limited to disputed issues of fact or mixed questions of fact and law relating to relevant and material water quality concerns submitted during the comment period.**

EXECUTIVE DIRECTOR ACTION. The Executive Director may issue final approval of the application unless a timely contested case hearing request or request for reconsideration is filed. If a timely hearing request or request for reconsideration is filed, the Executive Director will not issue final approval of the permit and will forward the application and request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

MAILING LIST. If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition, you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number; and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list, clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

All written public comments and public meeting requests must be submitted to the Office of the Chief Clerk, MC 105, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at www.tceq.texas.gov/goto/comment within 30 days from the date of newspaper publication of this notice, or by the date of the public meeting, whichever is later.

INFORMATION AVAILABLE ONLINE. For details about the status of the application, visit the Commissioners' Integrated Database at www.tceq.texas.gov/goto/cid. Search the database using the permit number for this application, which is provided at the top of this notice.

AGENCY CONTACTS AND INFORMATION. Public comments and requests must be submitted either electronically at www.tceq.texas.gov/goto/comment, or in writing to the Texas Commission on Environmental Quality, Office of the Chief Clerk, MC 105, P.O. Box 13087, Austin, Texas 78711-3087. Any personal information you submit to the TCEQ will become part of the agency's record; this includes email addresses. For more information about this permit application or the permitting process, please call the TCEQ Public Education Program, Toll Free, at (800) 687-4040 or visit their website at www.tceq.texas.gov/goto/pep. Si desea información en español, puede llamar al (800) 687-4040.

Further information may also be obtained from City of Paradise at the address stated above or by calling Mr. Harrison Willeford, City Administrator, at (940) 969-2114.

Issuance Date: March 6, 2026

TRD-202601146

Laurie Gharis

Chief Clerk

Texas Commission on Environmental Quality

Filed: March 10, 2026



Enforcement Orders

An agreed order was adopted regarding Roy Dawkins dba Shady Meadows Mobile Home Park, Docket No. 2022-1031-PWS-E on March 10, 2026 assessing \$4,239 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Casey Kurnath, 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 Lunar Business LLC, Docket No. 2022-1492-PST-E on March 10, 2026 assessing \$9,695 in administrative penalties with \$1,939 deferred. Information concerning any aspect of this order may be obtained by contacting Celia 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 Moriah TFS Operations, LLC, Docket No. 2023-0248-AIR-E on March 10, 2026 assessing \$3,750 in administrative penalties with \$750 deferred. Information concerning any aspect of this order may be obtained by contacting Desmond Mar-

tin, 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 48forty Solutions, LLC, Docket No. 2023-1291-MLM-E on March 10, 2026 assessing \$9,531 in administrative penalties with \$1,906 deferred. Information concerning any aspect of this order may be obtained by contacting Kadrienn Woodard, 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 BURK ROYALTY CO., LTD., Docket No. 2024-0286-AIR-E on March 10, 2026 assessing \$8,125 in administrative penalties with \$1,625 deferred. 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.

A field citation was adopted regarding Texas State Line C & B Mart Inc, Docket No. 2024-0732-PST-E on March 10, 2026 assessing \$2,625 in administrative penalties. Information concerning any aspect of this citation 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 the City of Cumby, Docket No. 2024-0757-PWS-E on March 10, 2026 assessing \$50 in administrative penalties with \$10 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 PRIEST EXCAVATING, CO., Docket No. 2024-1061-WQ-E on March 10, 2026 assessing \$7,625 in administrative penalties with \$1,525 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 Flint Hills Resources Corpus Christi, LLC, Docket No. 2024-1662-AIR-E on March 10, 2026 assessing \$12,375 in administrative penalties with \$2,475 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 BLESSINGS ENTERPRISES, INC. dba Kountry Food Store 2, Docket No. 2024-1829-PST-E on March 10, 2026 assessing \$3,375 in administrative penalties with \$675 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 EAST HOUSTON UTILITIES, INC., Docket No. 2025-0046-PWS-E on March 10, 2026 assessing \$3,025 in administrative penalties with \$605 deferred. Information concerning any aspect of this order may be obtained by contacting Emerson Rinewalt, 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 Eldorado, Docket No. 2025-0463-PWS-E on March 10, 2026 assessing \$50 in administrative penalties with \$10 deferred. Information concerning any aspect of this order may be obtained by contacting Emerson Rinewalt, 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 Village of Surfside Beach, Docket No. 2025-0565-MLM-E on March 10, 2026 assessing \$10,477 in administrative penalties with \$2,095 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 RILEY PERMIAN OPERATING COMPANY, LLC, Docket No. 2025-0567-AIR-E on March 10, 2026 assessing \$9,113 in administrative penalties with \$1,822 deferred. 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 the City of Anton, Docket No. 2025-0639-PWS-E on March 10, 2026 assessing \$1,875 in administrative penalties with \$375 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 Kraan Enterprises Inc, Docket No. 2025-0690-PST-E on March 10, 2026 assessing \$9,145 in administrative penalties with \$1,829 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. 2025-0714-PWS-E on March 10, 2026 assessing \$1,750 in administrative penalties with \$350 deferred. 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 WaterFleet, LLC, Docket No. 2025-0798-PWS-E on March 10, 2026 assessing \$1,007 in administrative penalties with \$201 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 AMAENS HOTELS & RESORTS LLC, Docket No. 2025-0885-PWS-E on March 10, 2026 assessing \$1,490 in administrative penalties with \$298 deferred. Information concerning any aspect of this order may be obtained by contacting Iliia 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 Undine Texas, LLC, Docket No. 2025-0919-PWS-E on March 10, 2026 assessing \$483 in administrative penalties with \$96 deferred. Information concerning any aspect of this order may be obtained by contacting Emerson Rinewalt, 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 M A Mortenson Company, Docket No. 2025-0922-WR-E on March 10, 2026 assessing \$875 in administrative penalties. Information concerning any aspect of this citation 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 Vinod Patel dba Linden Hill Motel, Docket No. 2025-1014-PWS-E on March 10, 2026 assess-

ing \$4,800 in administrative penalties with \$960 deferred. Information concerning any aspect of this order may be obtained by contacting Corinna Willis, 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. 2025-1023-PWS-E on March 10, 2026 assessing \$2,400 in administrative penalties with \$480 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 the City of Carthage, Docket No. 2025-1051-PWS-E on March 10, 2026 assessing \$2,600 in administrative penalties with \$520 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 Donald Kenneth Swaim dba Mooreland Water Company, Docket No. 2025-1055-PWS-E on March 10, 2026 assessing \$3,892 in administrative penalties with \$778 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 GLASSCOCK COUNTY COOP, Docket No. 2025-1056-PWS-E on March 10, 2026 assessing \$3,520 in administrative penalties with \$704 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 Vysehrad Independent School District, Docket No. 2025-1061-PWS-E on March 10, 2026 assessing \$1,590 in administrative penalties with \$318 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 Silent Properties, LLC dba Green Tire Group, Docket No. 2025-1108-MSW-E on March 10, 2026 assessing \$5,250 in administrative penalties with \$1,050 deferred. Information concerning any aspect of this order may be obtained by contacting Ramya 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 the City of Lytle, Docket No. 2025-1116-PWS-E on March 10, 2026 assessing \$350 in administrative penalties with \$70 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 RTM Construction Company, Ltd., Docket No. 2025-1124-AIR-E on March 10, 2026 assessing \$1,875 in administrative penalties with \$375 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 the City of Texhoma, Docket No. 2025-1144-PWS-E on March 10, 2026 assessing \$2,915 in ad-

ministrative penalties with \$583 deferred. Information concerning any aspect of this order may be obtained by contacting Corinna Willis, 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 VALLEY WATER SUPPLY CORPORATION, Docket No. 2025-1179-PWS-E on March 10, 2026 assessing \$381 in administrative penalties with \$76 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 MES Capital, LLC, Docket No. 2025-1194-PWS-E on March 10, 2026 assessing \$1,276 in administrative penalties with \$255 deferred. Information concerning any aspect of this order may be obtained by contacting Corinna Willis, 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 Cinco Properties, LLC, Docket No. 2025-1202-EAQ-E on March 10, 2026 assessing \$4,500 in administrative penalties with \$900 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 Harris County Water Control & Improvement District No. 99, Docket No. 2025-1247-PWS-E on March 10, 2026 assessing \$275 in administrative penalties with \$55 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 Corral Prime LLC dba Corral Prime Meat Market, Docket No. 2025-1434-PST-E on March 10, 2026 assessing \$4,557 in administrative penalties with \$911 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 Equistar Chemicals, LP, Docket No. 2025-1468-AIR-E on March 10, 2026 assessing \$4,275 in administrative penalties with \$855 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 Liberty Paving, LLC, Docket No. 2025-1662-WQ-E on March 10, 2026 assessing \$1,625 in administrative penalties with \$325 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 Brazos River Sand and Gravel, LLC, Docket No. 2025-1680-WR-E on March 10, 2026 assessing \$550 in administrative penalties with \$110 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 Switch, Ltd., Docket No. 2025-1737-EAQ-E on March 10, 2026 assessing \$1,625 in administrative penalties with \$325 deferred. Information concerning any aspect of this order may be obtained by contacting Amy Lane, Enforcement Coordi-

nator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

A field citation was adopted regarding Carlos, Jose A, Docket No. 2025-1894-WOC-E on March 10, 2026 assessing \$175 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Mabel Travis, 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 Marquart, Keith, Docket No. 2025-1895-WOC-E on March 10, 2026 assessing \$175 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Mabel Travis, 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 Vanessa M. Marlin, Docket No. 2025-1896-WOC-E on March 10, 2026 assessing \$175 in administrative penalties. Information concerning any aspect of this citation 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.

TRD-202601163

Laurie Gharis

Chief Clerk

Texas Commission on Environmental Quality

Filed: March 11, 2026



Enforcement Orders

An agreed order was adopted regarding Lone Star Industries, Inc., Docket No. 2019-0411-AIR-E on March 11, 2026 assessing \$390,884 in administrative penalties with \$78,176 deferred. Information concerning any aspect of this order may be obtained by contacting Rajesh Acharya, 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 Mackenzie Municipal Water Authority, Docket No. 2022-1637-MLM-E on March 11, 2026 assessing \$18,250 in administrative penalties with \$3,650 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 Kuraray America, Inc., Docket No. 2023-0026-AIR-E on March 11, 2026 assessing \$39,881 in administrative penalties with \$7,976 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.

A default order was adopted regarding Emilia Reyna, Docket No. 2023-0275-PST-E on March 11, 2026 assessing \$5,927 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Marilyn Norrod, 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 SUNNI'S MARKETING CORP. dba Kwik Stop, Docket No. 2023-0942-PST-E on March 11, 2026 assessing \$19,096 in administrative penalties with \$3,819 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 JIFFY SAC MART, INC. dba Jiffy Sak, Docket No. 2023-1130-PST-E on March 11, 2026 assessing \$33,089 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Casey Kurnath, 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 Aqua Texas, Inc., Docket No. 2023-1343-PWS-E on March 11, 2026 assessing \$14,535 in administrative penalties with \$2,907 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 the City of Silsbee, Docket No. 2023-1344-MWD-E on March 11, 2026 assessing \$74,750 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 the City of Donna, Docket No. 2023-1352-MWD-E on March 11, 2026 assessing \$22,000 in administrative penalties with \$4,400 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 WHITE ROCK HOMEOWNERS ASSOCIATION, INC., Docket No. 2024-0591-MWD-E on March 11, 2026 assessing \$21,750 in administrative penalties with \$18,150 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 Liberty-Danville Fresh Water Supply District No. 2, Docket No. 2024-0698-MWD-E on March 11, 2026 assessing \$28,500 in administrative penalties. 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 Deyma Davila dba Dey's RV and Mobile Park, Docket No. 2024-0758-PWS-E on March 11, 2026 assessing \$20,640 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Casey Kurnath, 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 Darling Ingredients Inc. dba Dar Pro Solutions, Docket No. 2024-0807-MLM-E on March 11, 2026 assessing \$46,425 in administrative penalties with \$9,285 deferred. Information concerning any aspect of this order may be obtained by contacting Amy Lane, 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 BASF Corporation, Docket No. 2024-0987-AIR-E on March 11, 2026 assessing \$50,750 in administrative penalties. 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 Flint Hills Resources Corpus Christi, LLC, Docket No. 2024-1069-AIR-E on March 11, 2026 assessing \$26,325 in administrative penalties with \$5,265 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 Port Mansfield Public Utility District, Docket No. 2024-1076-PWS-E on March 11, 2026 assessing \$8,682 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Marilyn Norrod, 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 Yoakum County, Docket No. 2024-1342-MLM-E on March 11, 2026 assessing \$20,075 in administrative penalties with \$4,015 deferred. Information concerning any aspect of this order may be obtained by contacting Corinna Willis, 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 Alon USA, LP, Docket No. 2024-1461-AIR-E on March 11, 2026 assessing \$13,375 in administrative penalties with \$2,675 deferred. 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.

An agreed order was adopted regarding the City of Liberty Hill, Docket No. 2024-1964-MWD-E on March 11, 2026 assessing \$125,475 in administrative penalties with \$25,095 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 CITGO Refining and Chemicals Company L.P., Docket No. 2025-0031-AIR-E on March 11, 2026 assessing \$22,325 in administrative penalties with \$4,465 deferred. Information concerning any aspect of this order may be obtained by contacting Kadrienn Woodard, 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 SLOTT CONSTRUCTION COMPANY, INC., Docket No. 2025-0065-WQ-E on March 11, 2026 assessing \$42,563 in administrative penalties with \$8,512 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 Phillips 66 Company, Docket No. 2025-0213-AIR-E on March 11, 2026 assessing \$13,125 in administrative penalties. 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 Nueces County Water Control and Improvement District 4, Docket No. 2025-0241-PWS-E on March 11, 2026 assessing \$2,375 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 VHS San Antonio Partners, LLC dba North Central Baptist Hospital, Docket No. 2025-0299-PWS-E on March 11, 2026 assessing \$1,125 in administrative penalties. 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 San Augustine Rural Water Supply Corporation, Docket No. 2025-0610-PWS-E on March 11, 2026 assessing \$2,925 in administrative penalties with \$2,925 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 T & W WATER SERVICE COMPANY dba Blue Topaz Utilities, Docket No. 2025-0686-PWS-E on March 11, 2026 assessing \$2,500 in administrative penalties. 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 Motiva Enterprises LLC, Docket No. 2025-0809-AIR-E on March 11, 2026 assessing \$13,125 in administrative penalties with \$2,625 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 Ericksdahl Water Supply Corporation, Docket No. 2025-1004-PWS-E on March 11, 2026 assessing \$1,712 in administrative penalties. 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 Houston Housing Authority, Docket No. 2025-1046-IHW-E on March 11, 2026 assessing \$175,000 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Carolyn Kent, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

TRD-202601164
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: March 11, 2026



Notice of District Petition - D-02172026-021

Notice issued March 6, 2026

TCEQ Internal Control No. D-02172026-021: Gibbs Brothers & Company, L.P., a Texas limited partnership and Robinson-Gibbs I, LLC, a Texas limited liability company, (Petitioners) filed a petition for creation of Huntsville Municipal Utility District No. 3 (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 Petitioners hold 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 678.294 acres lo-

cated within Walker County, Texas; and (4) all of the land within the proposed District is wholly within the corporate limits of the City of Huntsville. By Ordinance No. 2025-39, passed and approved on December 2, 2025, the City of Huntsville, Texas, gave its consent to the creation of the proposed District, pursuant to Texas Water Code §54.016. The petition further states that the proposed District will: (1) purchase, construct, acquire, maintain, own, operate, repair, improve and extend a waterworks and wastewater system for residential and commercial purposes; (2) construct, acquire, improve, extend, maintain, and operate works, improvements, facilities, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the proposed District; (3) control, abate, and amend local storm waters or other harmful excesses of water; and (4) purchase, construct, acquire, improve, maintain, and operate such additional facilities, systems, plants, enterprises, and road facilities as shall be consistent with all of the purposes for which the proposed 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 \$135,121,000 (\$104,904,000 for water, wastewater, and drainage and \$30,217,000 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 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-202601145
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: March 10, 2026



Notice of Opportunity to Comment on an Agreed Order of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Agreed Order (AO) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075, requires that before the commission may approve the AO, the commission shall allow the public an opportunity to submit written comments on the proposed AO. TWC, §7.075, requires that notice of 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 **April 20, 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 the proposed AO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 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 attorney designated for the AO at the commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on April 20, 2026**. The designated attorney are available to discuss the AO and/or the comment procedure at the listed phone number; however, TWC, §7.075, provides that comments on an AO shall be submitted to the commission in **writing**.

(1) COMPANY: STAR HOUSTON, INC.; DOCKET NUMBER: 2022-1558-PST-E; TCEQ ID NUMBER: RN100602598; LOCATION: 7000 Old Katy Road, Houston, Harris County; TYPE OF FACILITY: An underground storage tank system and a car dealership; PENALTY: \$7,815; STAFF ATTORNEY: Jun Zhang, Litigation, MC 175, (512) 239-6517; REGIONAL OFFICE: Houston Regional Office, 5425 Polk Street, Suite H, Houston, Texas 77023-1452, (713) 767-3500.

TRD-202601154
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: March 10, 2026



Notice of Public Hearing on Assessment of Administrative Penalties and Requiring Certain Actions of Explorer Pipeline Company DBA Port Arthur Station SOAH Docket No. 582-26-12390 TCEQ Docket No. 2024-1037-IHW-E

The Texas Commission on Environmental Quality (TCEQ or the Commission) has referred this matter to the State Office of Administrative Hearings (SOAH). An Administrative Law Judge with the State Office of Administrative Hearings will conduct a public hearing via Zoom videoconference:

10:00 a.m. (CT) - March 26, 2026

To join the Zoom meeting via computer or smart device:

<https://soah-texas.zoomgov.com>

Meeting ID: 161 984 0712

Password: TCEQDC1

or

To join the Zoom meeting via telephone dial:

+1 (669) 254-5252

Meeting ID: 161 984 0712

Password: 5247869

The purpose of the hearing will be to consider the Executive Director's Preliminary Report and Petition mailed May 19, 2025 concerning assessing administrative penalties against and requiring certain actions of EXPLORER PIPELINE COMPANY dba Port Arthur Station, for violations in Jefferson County, Texas, of: 30 Texas Administrative Code §335.6(b) and §335.9(a)(1) and 40 C.F.R. §262.13.

The hearing will allow EXPLORER PIPELINE COMPANY dba Port Arthur Station, the Executive Director, and the Commission's Public Interest Counsel to present evidence on whether a violation has occurred, whether an administrative penalty should be assessed, and the amount of such penalty, if any. The first convened session of the hearing will be to establish jurisdiction, afford EXPLORER PIPELINE COMPANY dba Port Arthur Station, the Executive Director of the Commission, and the Commission's Public Interest Counsel an opportunity to negotiate and to establish a discovery and procedural schedule for an evidentiary hearing. Unless agreed to by all parties in attendance at the preliminary hearing, an evidentiary hearing will not be held on the date of this preliminary hearing. Upon failure of **EXPLORER PIPELINE COMPANY dba Port Arthur Station** to appear at the preliminary hearing or evidentiary hearing, the factual allegations in the notice will be deemed admitted as true, and the relief sought in the notice of hearing may be granted by default. The specific allegations included in the notice are those set forth in the Executive Director's Preliminary Report and Petition, attached hereto and incorporated herein for all purposes. EXPLORER PIPELINE COMPANY dba Port Arthur Station, the Executive Director of the Commission, and the Commission's Public Interest Counsel are the only designated parties to this proceeding.

Legal Authority: Tex. Water Code §7.054 and ch. 7, Tex. Health & Safety Code ch. 361, and 30 Texas Administrative Code chs. 70 and 335; Tex. Water Code §7.058, and the Rules of Procedure of the Texas Commission on Environmental Quality and the State Office of Administrative Hearings, including 30 Texas Administrative Code §70.108 and §70.109 and ch. 80, and 1 Texas Administrative Code ch. 155.

Further information regarding this hearing may be obtained by contacting Marilyn Norrod, Staff Attorney, Texas Commission on Environmental Quality, Litigation Division, Mail Code 175, P.O. Box 13087, Austin, Texas 78711-3087, telephone (512) 239-3400. Information concerning your participation in this hearing may be obtained by contacting Sheldon Wayne, Staff Attorney, Office of Public Interest Counsel, Mail Code 103, at the same P.O. Box address given above, or by telephone at (512) 239-6363.

Any document filed prior to the hearing must be filed with TCEQ's Office of the Chief Clerk and SOAH. Documents filed with the Office of the Chief Clerk may be filed electronically at www.tceq.texas.gov/goto/efilings or sent to the following address: TCEQ Office of the Chief Clerk, Mail Code 105, P.O. Box 13087,

Austin, Texas 78711-3087. When contacting the Commission or SOAH regarding this matter, reference the SOAH docket number given at the top of this notice.

In accordance with 1 Texas Administrative Code §155.401(a), Notice of Hearing, "Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH."

Persons who need special accommodations at the hearing should call the SOAH Docketing Department at (512) 475-3445, at least one week before the hearing.

Issued: February 27, 2026

TRD-202601166

Laurie Gharis

Chief Clerk

Texas Commission on Environmental Quality

Filed: March 11, 2026



Notice of Public Hearing on Assessment of Administrative Penalties and Requiring Certain Actions of Vicky Rodriguez
SOAH Docket No. 582-26-12389 TCEQ Docket No. 2025-0948-MLM-E

The Texas Commission on Environmental Quality (TCEQ or the Commission) has referred this matter to the State Office of Administrative Hearings (SOAH). An Administrative Law Judge with the State Office of Administrative Hearings will conduct a public hearing via Zoom videoconference:

10:00 a.m. (CT) - March 26, 2026

To join the Zoom meeting via computer or smart device:

<https://soah-texas.zoomgov.com>

Meeting ID: 161 984 0712

Password: TCEQDC1

or

To join the Zoom meeting via telephone dial:

+1 (669) 254-5252

Meeting ID: 161 984 0712

Password: 5247869

The purpose of the hearing will be to consider the Executive Director's First Amended Report and Petition mailed January 15, 2026 concerning assessing administrative penalties against and requiring certain actions of Vicky Rodriguez, for violations in Real County, Texas, of: Tex. Health & Safety Code §382.085(b) and 30 Texas Administrative Code §§111.201, 330.7(a), and 330.15(a) and (c).

The hearing will allow Vicky Rodriguez, the Executive Director, and the Commission's Public Interest Counsel to present evidence on whether a violation has occurred, whether an administrative penalty should be assessed, and the amount of such penalty, if any. The first convened session of the hearing will be to establish jurisdiction, afford Vicky Rodriguez, the Executive Director of the Commission, and the Commission's Public Interest Counsel an opportunity to negotiate and to establish a discovery and procedural schedule for an evidentiary hearing. Unless agreed to by all parties in attendance at the preliminary hearing, an evidentiary hearing will not be held on the date of this preliminary hearing. Upon failure of **Vicky Rodriguez** to appear at the

preliminary hearing or evidentiary hearing, the factual allegations in the notice will be deemed admitted as true, and the relief sought in the notice of hearing may be granted by default. The specific allegations included in the notice are those set forth in the Executive Director's First Amended Report and Petition, attached hereto and incorporated herein for all purposes. Vicky Rodriguez, the Executive Director of the Commission, and the Commission's Public Interest Counsel are the only designated parties to this proceeding.

Legal Authority: Tex. Water Code §7.054 and Tex. Water Code ch. 7 and Tex. Health & Safety Code chs. 361 and 382 and 30 Texas Administrative Code chs. 70, 111, and 330; Tex. Water Code § 7.058, and the Rules of Procedure of the Texas Commission on Environmental Quality and the State Office of Administrative Hearings, including 30 Texas Administrative Code §70.108 and §70.109 and ch. 80, and 1 Texas Administrative Code ch. 155.

Further information regarding this hearing may be obtained by contacting William Hogan, Staff Attorney, Texas Commission on Environmental Quality, Litigation Division, Mail Code 175, P.O. Box 13087, Austin, Texas 78711-3087, telephone (512) 239-3400. Information concerning your participation in this hearing may be obtained by contacting Sheldon Wayne, Staff Attorney, Office of Public Interest Counsel, Mail Code 103, at the same P.O. Box address given above, or by telephone at (512) 239-6363.

Any document filed prior to the hearing must be filed with TCEQ's Office of the Chief Clerk and SOAH. Documents filed with the Office of the Chief Clerk may be filed electronically at www.tceq.texas.gov/goto/efilings or sent to the following address: TCEQ Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087. When contacting the Commission or SOAH regarding this matter, reference the SOAH docket number given at the top of this notice.

In accordance with 1 Texas Administrative Code §155.401(a), Notice of Hearing, "Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH."

Persons who need special accommodations at the hearing should call the SOAH Docketing Department at (512) 475-3445, at least one week before the hearing.

Issued: February 27, 2026

TRD-202601167

Laurie Gharis

Chief Clerk

Texas Commission on Environmental Quality

Filed: March 11, 2026



Notice of Public Meeting Proposed Air Quality Permit Number 95754 and N320

APPLICATION. Intercontinental Terminals Company, LLC., has applied to the Texas Commission on Environmental Quality (TCEQ) for: Amendment of Permit 95754

Issuance of Nonattainment Permit N320

This application would authorize construction of the ITC Pasadena Terminal located at 1030 Ethyl Road, Pasadena, Harris County, Texas 77503 **AVISO DE IDIOMA ALTERNATIVO.** El aviso de idioma alternativo en español está disponible en <https://www.tceq.texas.gov/permitting/air/newsocreview/airpermits-pendingpermit-apps>. This

link to an electronic map of the site or facility's general location is provided as a public courtesy and not part of the application or notice. For exact location, refer to application. <https://gisweb.tceq.texas.gov/LocationMapper/?marker=-95.162222,29.723333&level=13>. The facility will emit the following contaminants: carbon monoxide, hazardous air pollutants, hydrogen sulfide, nitrogen oxides, organic compounds, particulate matter including particulate matter with diameters of 10 microns or less and 2.5 microns or less, and sulfur dioxide.

This application was submitted to the TCEQ on February 27, 2025. The application will be available for viewing and copying at the TCEQ central office, the TCEQ Houston regional office, 5425 Polk Street, Suite H, Houston, Harris County, Texas 77023. The facility's compliance file, if any exists, is available for public review in the Houston regional office of the TCEQ. The application, including any updates, is available electronically at the following webpage: <https://www.tceq.texas.gov/permitting/air/airpermit-applications-notices>

The executive director has determined the application is administratively complete and will conduct a technical review of the application.

PUBLIC COMMENT/PUBLIC MEETING. You may submit public comments to the Office of the Chief Clerk at the address below. The TCEQ will consider all public comments in developing a final decision on the application. A public meeting will be held and will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application, and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. At the conclusion of the comment period, all formal comments will be considered before a decision is reached on the permit application. A written response to all formal comments will be prepared by the executive director and will be sent to each person who submits a formal comment or who requested to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment Period can be considered if a contested case hearing is granted on this permit application.

The Public Meeting is to be held:

Thursday, April 16, 2026 at 7:00 p.m.

Deer Park ISD South Campus

Performing Arts Center

710 W. San Augustine

Deer Park, Texas 77536

INFORMATION. Members of the public are encouraged to submit written comments anytime during the public meeting or by mail before the close of the public comment period to the Office of the Chief Clerk, TCEQ, Mail Code MC-105, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at <https://www14.tceq.texas.gov/epic/eComment/>. If you need more information about the permit application or the permitting process, please call the TCEQ Public Education Program, toll free, at (800) 687-4040. General information can be found at our Web site at www.tceq.texas.gov. *Si desea información en español, puede llamar al (800) 687-4040.*

INFORMATION AVAILABLE ONLINE. For details about the status of the application, visit the Commissioners' Integrated Database (CID) at www.tceq.texas.gov/goto/cid. Once you have access to the CID using the link, enter the permit number at the top of this form.

Further information may also be obtained from Intercontinental Terminals Company, LLC., P.O. Box 698, Deer Park, Texas 77536-0698, or by calling Mr. Neal A. Nygaard, Director Houston Operations, Trinity Consultants, at (713) 955-1221.

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or (800) RELAY-TX (TDD) at least five business days prior to the meeting.

Notice Issuance Date: March 11, 2026

TRD-202601165

Laurie Gharis

Chief Clerk

Texas Commission on Environmental Quality

Filed: March 11, 2026



Texas Ethics Commission

List of Late Filers

Below is a list from the Texas Ethics Commission naming the filers who failed to pay the penalty fine for failure to file the report, or filing a late report, in reference to the specified filing deadline. If you have any questions, you may contact Dave Guilianelli at (512) 463-5800.

Deadline: Semiannual Report due July 15, 2025 for Committees

#00057333 - Donald A. White, San Angelo Firefighters Committee for Responsible Government, 3406 Ridgecrest Lane, San Angelo, Texas 76904

#00080881 - Chanley Delk, Big Spring Professional Firefighters PAC, 2210 S County Road 1085, Midland, Texas 79706

#00085671 - Stephanie Davis, Proyecto Azul Advocacy & Engagement, 709 E. Frieda St., Pharr, Texas 78577

#00088814 - Jordan Woodard, Keep Denton County Red, 10109 Cherry Hill Ln, Providence Village, Texas 76227

#00084742 - Donald E. Seeger Jr., New Braunfels Young Republicans PAC, 1661 Independence Dr, New Braunfels, Texas 78132

#00016966 - Stephanie Janiak, Fort Worth Republican Women PAC, 10408 Halter Drive, Fort Worth, Texas 76126

#00015556 - David L. Cook, Committee for Public Safety Fort Worth Police Officer's Association, 2501 Parkview Dr., Suite 600, Fort Worth, Texas 76102

#00015722 - Gladys Appelt, Kendall County Republican Women, 201 E. San Antonio Ave., San Antonio, Texas 78249

#00031591 - Randy A. Bellomy, Texas Air Conditioning Contractors Assn. PAC Fund, 711 W. Main #123, Ovilla, Texas 75154

#00034189 - Francis Cook, Across The Track PAC, 3909 Fernwood Dr, Houston, Texas 77021

#00066237 - Carrie L. Isaac, Committee to Elect Jason Isaac, 100 Commons Rd., Ste. 7-125, Dripping Springs, Texas 78620

#00088048 - Jud Beall, Wylie Bulldogs United for Growth Bond 2023, 6841 Windmill Grass Lane, Abilene, Texas 79606

#00023748 - DeLane C. Cagle, Pecos County Republican Party (P), P.O. Box 1337, Iraan, Texas 79744

#00023943 - Amber A. Avis, Webb County Democratic Party (CEC), 1802 Houston St., Laredo, Texas 78040

#00085813 - Ondrea A. Wolf, El Paso County Republican Party, 7717 Lockheed Drive, Ste. D, El Paso, Texas 79925

#00085775 - Lance Cargill, Save Texas Now, P.O. Box 505, Newalla, Oklahoma 74857

#00086933 - Lea Stuke, South Plains Republican Women, 7004 Pleasant Hill Circle, Plainview, Texas 79072

#00057991 - Blake Brown, Pflugerville Firefighters Political Action Committee, 608 Cactus Bend Drive, Pflugerville, Texas 78660

#00089503 - Elizabeth Miller, Texans Helped By Cannabis, 3440 Paint Brush Lane, Bedford, Texas 76021

#00087106 - Brittney D. Leveston, Texas Freedmen Affairs Political Action Committee, 3045 N FM 1486 Rd, Montgomery, Texas 77356

#00089345 - Jeffrey C. Hewitt, Liberty Campaign Fund, 18414 Rogers Bend, San Antonio, Texas 78258

#00069329 - Joseph A. Dozier, Texans For Liberty, 201 Main St., Ste. 600, Fort Worth, Texas 76102

#00087003 - Bramlette H. Browder, Founders PAC, 2121 Lohmans Crossing R., Lakeway, Texas 78734

#00088064 - Bryan Rivera, Gulf Coast Public Safety TX PAC, P.O. Box 512, Fulshear, Texas 77441

#00063437 - Susan R. Fowler, Texas Motion Picture Alliance PAC, c/o Susan Fowler, Pearland, Texas 77581

#00070265 - Anthony V. Webb, Haltom City LEA Political Action Committee, 8316 Bonanza, Aubrey, Texas 76227

#00058000 - Alycia Kasperitis, Coastal Area Builders PAC, 6262 Weber Rd, Corpus Christi, Texas 78413

#00087992 - Mende Stewart, Sage Brush Republican Women, P.O. Box 1093, George West, Texas 78022

#00088763 - Dana Burkett, Residents Advancing In Ladonia, 303 Commerce Street, Ladonia, Texas 75449

#00088986 - William Brannan, Save Lost Creek PAC, 1108 Lavaca St., Austin, Texas 78746

#00084649 - Ashlei D. Gradney, Black Women Attorneys PAC, 8150 N. Central Expressway, Dallas, Texas 75206

#00084021 - Francisco "Quico" Canseco, Real Texans PAC, 19 Jackson Ct., San Antonio, Texas 78230

#00084407 - William A. Lumpkin, Texas Blue Chip PAC, 2033 Southgate Blvd., Houston, Texas 77030

#00082812 - Michael Oakley, Grapevine Republican Club, 2121 Lakewood Dr., Grapevine, Texas 76051

#00088113 - Jarvis Calhoun, Community Justice PAC, P.O. Box 301228, Houston, Texas 77230

#00066577 - Lindsey R. Geeslin, Texas Masonry Council Political Action Committee, 25301 Borough Park Drive, The Woodlands, Texas 77380

#00089741 - Roy Lopez, Hispanic Political Action Committee of Dallas, 4101 McEwen Road, Dallas, Texas 75244

#00085108 - Latasha Henderson, Black Girl Magic, 2413 Mesa Oak Trail, Plano, Texas 75025

#00087146 - Jennifer Powell, #TeamAustin, 3903 S Congress Ave #40086, Austin, Texas 78704

#00068904 - Patricia S. Garcia, Cameron County Texas Democratic Women, 4906 Camino Verde, Brownsville, Texas 78526

#00089110 - Elena L. Gonzalez, Friends of the River (F.O.R.) San Bernard, Texas PAC, 24 Waterway Avenue, Spring, Texas 77381

#00082651 - Lucy Johnson, Texas Real Estate Advocacy and Defense PAC, 11601 W Hwy 290, A101-378, Austin, Texas 78737

#00086583 - Morgan Bourque, Preserve the Woodlands Candidate Committee, 59 Huntsman Horn Cir., The Woodlands, Texas 77380

#00064058 - Ted A. Waterston, The Texas Blue Dog Coalition, 3924 Kimbrough Ln., Plano, Texas 75025

#00087120 - Robert R. Flores, Texans For Progress PAC, P.O. Box 2680, South Padre Island, Texas 78597

#00089051 - Gregory Lindley, PAC for Holding Government Accountable, 6621 Westview Drive, Houston, Texas 77055

#00083794 - Sara Michelle DeMus, Young Dems BCS, 2920 Kent Street Apt 188, Bryan, Texas 77845

#00038730 - Nancy E. Saibara-Naritomi, Harris County Green Party, 12202 Leather Saddle Ct, Houston, Texas 77044

#00086828 - Martha A. Roberts, New Blue USA PAC, 12100 S. HWY 6 #9205, Sugar Land, Texas 77498

#00089534 - Sanobia Tapia, Save Our Schools PAC, 15269 Edgeview Rd., Fort Worth, Texas 76177

#00068461 - Michael J. Siwierka, Fort Bend Business PAC, 5711 Silver Bay Court, Sugar Land, Texas 77479

#00088637 - Peter Salas, Grand Prairie Strong, 5706 E Mockingbird Lane #115-382, Dallas, Texas 75206

#00067104 - Cheryl A. Foster, Texas Democratic Women of Central Texas PAC, P.O. Box 4177, Waco, Texas 76708

#00088463 - Karen Drury, Wise County Republican Patriots, 1223 County Road 1111, Decatur, Texas 76234

#00088700 - Kyle Burke, Reform Project PAC, 2203 Marcus Abrams Blvd., Austin, Texas 78748

#00088735 - Bryan Rivera, A Better Bee Cave PAC, P.O. Box 518, Leander, Texas 78646

#00086024 - Fred O. Meyer, Northeast Texas Democratic Coalition, 1817 W. College Street, Sherman, Texas 75092

#00087134 - Walter C. Nevegold, Professional Firefighters of Sherman Committee for Responsible Government, P.O. Box 278, Sherman, Texas 75091

#00088483 - Chelsey Kemp, Diversified Ladies PAC, 9818 Fry Road, Cypress, Texas 77433

#00088304 - Ryan Benjamin Diamond Davis, Red River Patriots PAC, 864 Trail Rd, Denison, Texas 75021

#00085959 - Jarvis Johnson, Tiger Caucus, P.O. Box 2910, Austin, Texas 78768

#00080083 - Art Fierro, Texas House Border Caucus, P.O. Box 2910, Rm. E2. 412, Austin, Texas 78768

#00051074 - Lyle Larson, Texas Legislative Sportsman's Caucus, Inc., P.O. Box 2910, Austin, Texas 78768

#00081032 - Scott Sanford, Texas Legislative Prayer Caucus, 524 Johnstown Rd, Chesapeake, Virginia 23322

#00089676 - Vanessa Garza-Leal, BISSD Soaring to a brighter future, P.O. Box D, Benavides, Texas 78341

#00088929 - John Hoxie, Vote for Frisco ISD, 5999 Custer Road, Frisco, Texas 75035

#00089125 - Andrew Rokovich, Protect Texas PAC, 1203 E. Red River, Victoria, Texas 77901

#00088658 - Joshua Sims, Vote YES for New Diana Kids PAC, 3381 Zinnia Road, Diana, Texas 75640

#00083947 - Daniel O. Rios, Stronger Texas PAC, P.O. Box 5063, Austin, Texas 78763

#00087882 - Jason T. Walker, Friends For Katy Schools, 9550 Spring Green Blvd, Ste. 408-17, Katy, Texas 77494

#00088760 - Kem Ford, Citizens For The Students of Boling ISD, 10141 FM 1301, Boling, Texas 77420

TRD-202601147
James Tinley
Executive Director
Texas Ethics Commission
Filed: March 10, 2026



List of Late Filers

Below is a list from the Texas Ethics Commission naming the filers who failed to pay the penalty fine for failure to file the report, or filing a late report, in reference to the specified filing deadline. If you have any questions, you may contact Dave Guilianelli at (512) 463-5800.

Deadline: Semiannual Report due July 15, 2025 for Candidates

#00033098- Tony Cunningham, 2046 E. Crockett St., San Antonio, Texas 78202

#00086144- Aaron M. Schwope, 335 W. Olmos #128, San Antonio, Texas 78217

#00082026- Jessica A. Gonzalez, 501 E 8th St., Dallas, Texas 75203

#00026785- Robert Garza, 2116 Veterans Blvd., Ste. 5, Del Rio, Texas 78840

#00088325- Jeinay LeBlanc, 2901 7th St. #297, Bay City, Texas 77414

#00082438- Victoria Walton, P.O. Box 764203, Dallas, Texas 75376

#00087640- John Washington, 223 Corliss, San Antonio, Texas 78220

#00085592- Nora Stephanie Morales, 1919 Shadow Bend Dr., Houston, Texas 77043

#00087850- Scott A. Hommel, 7112 Heather Lane, Paris, Texas 75462

#00088345- Ibifrisolam Max-Alalibo, 630 Colony Lake Estates, Stafford, Texas 77477

#00087349- James T. Matlock, 548 CR 954, Cushing, Texas 75760

#00088250- Sara E. Padua Cordua, 627 North Live Oak St., Houston, Texas 77003

#00084566- Carvana Cloud, 850 West Little York Road, Houston, Texas 77091

#00085105- Graciela Olvera, 435 W. 12th Street, Dallas, Texas 75208
#00083749- Melissa Marie Morris, 1201 Franklin St., Houston, Texas 77025
#00081687- Cory D. Sepolio, P.O. Box 458, Pasadena, Texas 77501
#00051677- Deborah A. Adame, 933 W. Weatherford Street, Fort Worth, Texas 76102
#00081747- Danilo Lacayo, 4049 Mcdermed, Houston, Texas 77025
#00069973- Michael V. Garcia, 405 Highland Ave., Alice, Texas 78332
#00069633- Irene A. Rios, P.O. Box 593199, San Antonio, Texas 78259
#00080055- Julie Countiss, P.O. Box 66434, Houston, Texas 77266
#00088102- Bianca Valerio, 706 Cavalier, Pasadena, Texas 77501
#00088201- Rusty W. Drake, P.O. Box 393, Mt. Pleasant, Texas 75456
#00087663- Albert J. Price, 5318 Darling St. Unit C, Houston, Texas 77007
#00089723- Latricia Worrick, 8150 Stemmons Fwy, Dallas, Texas 75247
#00086410- Stephen A. Missick, 611 Thomas Castleberry Dr., Shepard, Texas 77371
#00088172- Robert Cantu, P.O. Box 209, Donna, Texas 78537
#00088206- Brian N. Mazzola, 505 W Lucas Drive Floor 2, Beaumont, Texas 77706
#00088353- Joshua Feuerstein, 15141 Markout Central, Forney, Texas 75126
#00067539- Patrick E. Fallon, P.O. Box 51875, Denton, Texas 76206
#00066236- Jason A. Isaac, 100 Commons Rd., Ste. 7-125, Dripping Springs, Texas 78620
#00088164- Leslie K. Robnett, 4505 Ridgehaven Rd., Fort Worth, Texas 76116
#00088421- Makala L. Washington, 163 Town Pl., Fairview, Texas 75069
#00068287- Marisa Perez-Diaz, P.O. Box 701342, San Antonio, Texas 78270
#00088381- Praveen D. Merugumala, 2001 Scott St., La Marque, Texas 77568
#00088348- Darryl W. Crain, 319 Lakeridge Dr., San Antonio, Texas 78229
#00069780- Sandra Crenshaw, P.O. Box 224123, Dallas, Texas 75222
#00088010- Dawn E. Freeman, 1515 N. Town East Blvd., Mesquite, Texas 75150
#00088310- Sarah K. Smith, 16231 Charterstone Drive, Houston, Texas 77070
#00085994- Nelvin Joseph Adriatico, 6363 Richmond Ave., Ste. 400, Houston, Texas 77057
#00088424- Teresa Ramirez Gonzalez, 8051 Berkshire, Fort Worth, Texas 76137
#00088261- Eric J. Hale, 673 Aspen Valley Lane, Dallas, Texas 75208
#00087802- Brandon W. Hall, P.O. Box 2989, Weatherford, Texas 76086
#00088337- Claudio Gutierrez, 1716 Bailey St., Houston, Texas 77019
#00088466- Richard G. Windmann, 124 Bent Tree Trail, Burleson, Texas 76028
#00088205- Timothy M. Good, P.O. Box 824, Joshua, Texas 76058
#00088362- Luther Wayne Martin, P.O. Box 20791, Beaumont, Texas 77720
#00088141- Charles D. Byrn, 1105 Keeler Ave., Dalhart, Texas 79022
#00069817- Cynthia T. Cavazos, 100 McCullough Ave., San Antonio, Texas 78215
#00087741- Kristen C.R. Washington, 3404 Oneal St., Greenville, Texas 75401
#00087812- Clint Horn, 12712 W Lake Houston Pkwy, Houston, Texas 77044
#00086328- Derek Lee Zubeldia, P.O. Box 112, Pecos, Texas 78772
#00083822- Daniel Davis Clayton, P.O. Box 151122, Dallas, Texas 75315
#00088931- Velia Gonzalez, 2016 South Abram Rd., Palmview, Texas 78572
#00087964- Alex Kamkar, 3422 Business Center Drive, Pearland, Texas 77584
#00089209- Kelvin A. Leaphart, 1205 Coyote Ridge, Aubrey, Texas 76227
#00088217- Carlos Walker, 4412 Arborwood Trl., Fort Worth, Texas 76123
#00088089- Larissa Ramirez, P.O. Box 1074, League City, Texas 77574
#00086428- Sohrab Gilani, 3519 Moss Trail Dr., Missouri City, Texas 77459
#00086414- Jonathan Hildner, 401 A St., Wilmington, Delaware 19801
#00080580- Jarvis Johnson, 1051 Cottage Oak, Houston, Texas 77091
#00088247- Benjamin C. Howell, 2029 Alpine Road, Longview, Texas 75601
#00088308- Yannai A. Bar-Sela, 509 3rd St., Terrell, Texas 75160
#00088221- Joe S. McDaniel, P.O. Box 1476, Kilgore, Texas 75663
#00086327- Daniel G. Surman, 2301 21st St. N, Texas City, Texas 77590
#00084361- John Betancourt, 4003 S. Hughes, Amarillo, Texas 79110
#00085489- Maribel Diaz, 1405 Encantado Circle, Mission, Texas 78572
#00085736- James O. Guillory, P.O. Box 451812, Houston, Texas 77245
#00084280- Angela L. Overman, 5901 136th St., Lubbock, Texas 79424
#00087943- Brian Brazeal, 2650 FM 407 E., Ste. 145 PMB #454, Bartonville, Texas 76226
#00088785- DeAndrea Fleming, 1224 Copper Dr., DeSoto, Texas 75115
#00087999- Terry L. Sloan, 133 H. W. Fair Dr., McGregor, Texas 76657

#00089589- Jose Navarro Balbuena, 1114 Red Rock Canyon Dr., Katy, Texas 77450

#00087731- Omar Carmona, 701 Magoffin Ave., El Paso, Texas 79901

#00082125- Leslie Lester Osborne, 600 Commerce Ste. 200, Dallas, Texas 75202

#00081704- Lela D. Mays, 288 Ashwood Lane, Sunnyvale, Texas 75182

#0008216- James T. Graves, 9502 Meadowcroft Drive, Houston, Texas 77063

#00088257- Shayla L. Smith, 4673 Quincy Lane, Plano, Texas 75024

#00067856- Stephani A. Walsh, 411 S. Presa, San Antonio, Texas 78205

#00062724- Jarrod L. Walker, 204 West Davis Street, Conroe, Texas 77301

#00085829- Nathan J. Milliron, P.O. Box 88074, Houston, Texas 77288

#00088240- Mark H. Ritchie, P.O. Box 300087, Houston, Texas 77230

#00026841- Thomas W. Lowe, P. O. Box 472025, Fort Worth, Texas 76147

#00021052- Jay W. Burnett, 3818 Elmcrest Dr., Houston, Texas 77088

#00081675- Stephen P. Ballantyne, 316 Devonshire Dr., San Antonio, Texas 78209

#00085725- Denise Brown, 770 South Post Oak Lane, Houston, Texas 77056

#00088227- Lee Finley, 1818 Waterford Lane, Richardson, Texas 75082

#00089658- Brenton K. Jackson, 4725 Teal Bend Blvd, Fresno, Texas 77545

#00081746- Brian E. Warren, P.O. Box 6807, Houston, Texas 77265

#00081860- Norma Ramirez, P.O. Box 686, Hidalgo, Texas 78557

#00089690- Jessica Cohen, 1920 E. Riverside Dr., Austin, Texas 78741

#00088411- Fred G. Taylor, P.O. Box 2343, Missouri City, Texas 77459

#00086499- Tierrishia Gibson, 113 N Heritage Oaks Drive, Texas City, Texas 77591

#00084552- Jacinto Martinez, 1230 Duke Rd., San Antonio, Texas 78264

#00088407- Addie Baird, 1515 Lake Rd., Belton, Texas 76513

TRD-202601152

James Tinley

Executive Director

Texas Ethics Commission

Filed: March 10, 2026



Texas Health and Human Services Commission

Notice of Provider Engagement Meetings for Medicaid Payment Rates

MEETINGS.

The Texas Health and Human Services Commission (HHSC) will conduct provider engagement meetings on April 9, 2026, to receive comments on Medicaid payment rate topics that may potentially be ad-

dressed at the upcoming May 2026 rate hearings. Commentary will be collected solely on the topics listed in this notice. Proposed rates will not be published at this time.

The meetings will be held online only at the following times according to topic areas:

On April 9, 2026,

Acute Care and Hospital Services: 10:00 a.m. - 11:30 a.m.

To attend online: The meetings will be held online via GoToWebinar. Visit the following GoToWebinar link to register to attend one or both of the online meetings. After registering, you will receive a confirmation email containing information about joining the webinar.

<https://attendee.gotowebinar.com/register/6297780956170326112>

HHSC will record the meetings. The recording will be archived and can be accessed on-demand at: <https://hhs.texas.gov/about-hhs/communications-events/live-archived-meetings>.

HHSC may limit speakers' time to ensure all attendees wishing to present public comment are afforded an opportunity to do so. HHSC reserves the right to end an engagement meeting if no participants have registered to present public comments within the first 30 minutes of the meeting.

TOPICS.

Below is a list of topics that HHSC will collect commentary for during the stakeholder engagement meetings. These topics may potentially be presented at the subsequent rate hearing in May 2026. The final list of topics to be presented at the May 2026 rate hearing is at the discretion of HHSC.

Acute Care Services - Calendar Fee Review:

- Renal Dialysis Medication;
- "R" Codes;
- Family Planning;
- "G" Codes;
- Cardiovascular System Surgery;
- Urinary System Surgery;
- Proton Therapy Codes;
- "T" Codes (incl. T1019);
- Digestive System Surgery;
- MTP-NEMT-DRTS (T2003);
- MTP Mileage Rate - S0215;
- Indian Health Services;
- Physician Administered Drugs - Oncology;
- Physician Administered Drugs - Vaccines & Toxoids;
- Physician Administered Drugs - Non-Oncology;
- Vision Devices;
- Eye and Ocular Adnexa Surgery;
- Respiratory System Surgery.

Acute Care Services - Special Review:

- Dental Services

Acute Care Services - Medical Policy Review:

- Cranial Molding Orthosis;
 - Durable Medical Equipment & Medical Nutrition Therapy;
 - Implantable Infusion Pumps;
 - Family Planning Program - Tubal Sterilization.
- Acute Care Services - HCPCS:
- Quarterly Healthcare Common Procedure Coding System (HCPCS) Updates:
 - Q3 HCPCS Drugs;
 - Q3 HCPCS- Non-Drugs (TOS 9-J-L);
 - Q4 HCPCS Drugs.

WRITTEN COMMENTS.

Written comments regarding the proposed topics may be submitted in lieu of, or in addition to, oral comments until 5:00 p.m. the day following the meetings, April 10, 2026. Written comments may be sent by U.S. mail, overnight mail, fax, or email.

U.S. Mail:

Texas Health and Human Services Commission
 Attention: Provider Finance Department
 Mail Code H-400
 P.O. Box 149030
 Austin, Texas 78714-9030

Overnight mail or special delivery mail:

Texas Health and Human Services Commission
 Attn: Provider Finance Department
 North Austin Complex
 Mail Code H-400
 4601 Guadalupe St
 Austin, Texas 78751

Fax: Attention: Provider Finance at (512) 730-7475

Email: ProviderFinanceDept@hhs.texas.gov with "April 2026 Provider Engagement Meeting" as the subject line

PREFERRED COMMUNICATION.

Email or telephone communication is preferred.

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-202601160
 Karen Ray
 Chief Counsel
 Texas Health and Human Services Commission
 Filed: March 11, 2026



Revised Public Hearing Notice to Update the Link to the Draft Plan: State Hospital Long Range Planning Report

April 29, 2026

9:00 a.m.

Meeting Site:

Texas Health and Human Services Commission (HHSC)
 John H. Winters Building
 Public Hearing Room 125W, First Floor
 701 West 51st Street
 Austin, Texas 78751

This meeting will be webcast. Members of the public may attend the meeting in person at the address above or access a live stream of the meeting at <https://texashhsm meetings.org/HHSWebcast>. Select the tab for the Winters Public Hearing Room Live on the date and time for this meeting. A draft version of the State Hospital Long-Range Planning Report will be available for viewing beginning on **March 13, 2026** at the following link <https://www.tinyurl.com/StateHospitalLRP>. Please e-mail Webcasting@hhsc.state.tx.us if you have any problems with the webcasting function.

Agenda

1. Welcome and call to order
2. State Hospital Long-Range Planning Report. The state hospital long-range planning report is required to include:
 - A. projected future bed requirements for state hospitals;
 - B. the methodology used to develop the projection of future bed requirements;
 - C. projected maintenance costs for institutional facilities;
 - D. recommended strategies to maximize the use of institutional facilities; and
 - E. how each state hospital will:
 1. serve and support the communities and consumers in its service area; and
 2. fulfill statewide needs for specialized services.

The initiatives outlined in this report will guide the Texas State Hospitals for the next six years. This report is developed under the authority of Texas Health and Safety Code Section 533.032.

3. Public comment
4. Adjourn

Public Comment: HHSC welcomes public comments pertaining to the drafted long-range planning report for State Hospital Members of the public who would like to provide public comment may choose from the following options:

1. Oral comments provided virtually: Members of the public must pre-register to provide oral comments virtually during the meeting by completing a Public Comment Registration form at https://texashhsm meetings.org/SH_PC_Apr2026 no later than 5:00 p.m. Wednesday, April 22, 2026. Please mark the correct box on the Public Comment Registration form and provide your name, either the organization you are representing or that you are speaking as a private citizen, and your direct phone number. If you have completed the Public Comment Registration form, you will receive an email the day before the meeting with instructions for providing virtual public comment. Public comment is limited to three minutes. Each speaker providing oral public comments virtually must ensure their face is visible and their voice audible to the other participants while they are speaking. Each speaker must state their name and on whose behalf they are speaking (if anyone). If you pre-register to speak and wish to provide a handout before the meeting, please submit an electronic copy in

accessible PDF format that will be distributed to the appropriate HHSC staff. Handouts are limited to two pages (paper size: 8.5" by 11", one side only). Handouts must be emailed to Ask_SH_Leadership@hhs.texas.gov immediately after pre-registering, but no later than 5:00 p.m. Wednesday, April 22, 2026, and include the name of the person who will be commenting. Do not include health or other confidential information in your comments or handouts. Staff will not read handouts aloud during the meeting, but handouts will be provided to the appropriate HHSC staff.

2. Written comments: A member of the public who wishes to provide written public comments must email the comments to Ask_SH_Leadership@hhs.texas.gov no later than 5:00 p.m. Wednesday, April 22, 2026. Please include your name and the organization you are representing or that you are speaking as a private citizen. Written comments are limited to two pages (paper size: 8.5" by 11", one side only). Do not include health or other confidential information in your comments. Staff will not read written comments aloud during the meeting, but comments will be provided to the appropriate HHSC staff.

3. Oral comments provided in-person at the meeting location: Members of the public may provide oral public comment during the meeting in person at the meeting location either by pre-registering using the form above or without pre-registering by completing a form at the entrance to the meeting room. Do not include health or other confidential information in your comments.

Additional Information for Written Comments

Written comments, requests to review comments or both may be sent by U.S. mail, overnight mail, special delivery mail, hand delivery, fax or email.

U.S. Mail

Texas Health and Human Services Commission
Health and Specialty Care System / Texas State Hospitals
Attention: Yakir Harosh, Mail Code 2023
Austin State Hospital, Building 552
4110 Guadalupe Street, Austin, Texas 78751

Overnight Mail, Special Delivery Mail or Hand Delivery

Texas Health and Human Services Commission
Health and Specialty Care System / Texas State Hospitals
Attention: Yakir Harosh, Mail Code 2023
Austin State Hospital, Building 552
4110 Guadalupe Street, Austin, Texas 78751

Note: These procedures may be revised at the discretion of HHSC

Contact: Questions regarding agenda items, content, or public hearing arrangements and requests to add additional people to the meeting invitation should be directed to Yakir Harosh, State Hospital Project Manager, Health and Human Services Commission, at Ask_SH_Leadership@hhs.texas.gov.

This public forum is open to the public. No reservations are required, and there is no cost to attend this public forum.

People with disabilities who wish to attend the public hearing and require auxiliary aids or services should contact Yakir Harosh at yakir.harosh@hhs.texas.gov at least 72 hours before the public hearing so appropriate arrangements can be made.

TRD-202601122

Karen Ray
Chief Counsel
Texas Health and Human Services Commission
Filed: March 6, 2026

Texas Higher Education Coordinating Board

Notice of Public Hearing - State of Texas College Student Loan Refunding Bonds

NOTICE IS HEREBY GIVEN of a public hearing to be held by the Texas Higher Education Coordinating Board (the "Issuer") on March 30, 2026, at 10:00 a.m., at the offices of the Issuer, 1801 N. Congress Ave. Room 12.103/Conference Room 12C Austin, Texas 78701, with respect to the issuance by the Issuer of one or more series of State of Texas College Student Loan Refunding Bonds (collectively, the "Refunding Bonds") in an aggregate amount of not more than \$230,000,000, the proceeds of which will be used by the Issuer to refund certain student loan bonds that were previously issued by the Issuer to originate student loans to student borrowers at eligible institutions of higher education in the State of Texas under Chapter 52, Texas Education Code (the "Loan Program") to achieve a debt service savings. Descriptions of the Loan Program, the Refunding Bonds and the particular bonds to be refunded have been and will be kept on file at the office of the Issuer at the address set forth above. The Refunding Bonds will be general obligations of the State of Texas.

All interested persons are invited to attend such public hearing to express their views with respect to the Loan Program and the proposed issuance of the Refunding Bonds. Questions or requests for additional information may be directed to Anthony Infantini, Associate Commissioner/Chief Financial Officer, 1801 N. Congress Ave. Suite 12.200, Austin, Texas 78701 or emailed to Anthony.Infantini@highered.texas.gov.

Persons who plan to attend are encouraged, in advance of the public hearing, to inform the Issuer either in writing or by telephone at (512) 427-6173. Any interested persons unable to attend the hearing may submit their views in writing to the Issuer prior to the date scheduled for the hearing.

This notice is published and the above described hearing is to be held in satisfaction of the requirements of section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public hearing prerequisite to the exclusion from gross income for federal income tax purposes of the interest on the Refunding Bonds.

TRD-202601144
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: March 10, 2026

Texas Department of Insurance

Company Licensing

Application for Republic Underwriters Insurance Company, a domestic fire and/or casualty company, to change its name to Northwind Insurance Company. The home office is in Dallas, Texas.

Application for Southern Underwriters Insurance Company, a domestic fire and/or casualty company, to change its name to Northwind Specialty Insurance Company. The home office is in Dallas, Texas.

Any objections must be filed with the Texas Department of Insurance, within twenty (20) calendar days from the date of the *Texas Register* publication, addressed to the attention of Andrew Guerrero, 1601 Congress Ave., Suite 6.900, Austin, Texas 78701.

TRD-202601161

Justin Beam

Chief Clerk

Texas Department of Insurance

Filed: March 11, 2026

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Texas Department of Licensing and Regulation

Scratch Ticket Game Number 2721 "LIMITED EDITION MEGA LOTERIA"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2721 is "LIMITED EDITION MEGA LOTERIA". The play style is "row/column/diagonal".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2721 shall be \$10.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2721.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: ARMADILLO SYMBOL, BAT SYMBOL, BICYCLE SYMBOL, BLUEBONNET SYMBOL, BOAR SYMBOL, BUTTERFLY SYMBOL, CACTUS SYMBOL, CARDINAL SYMBOL, CHERRIES SYMBOL, CHILE PEPPER SYMBOL, CORN SYMBOL, COVERED WAGON SYMBOL, COW SYMBOL, COWBOY SYMBOL, COWBOY HAT SYMBOL, DESERT SYMBOL, FIRE SYMBOL, FOOTBALL SYMBOL, GEM SYMBOL, GUITAR SYMBOL, HEN SYMBOL, HORSE SYMBOL, HORSESHOE SYMBOL, JACKRABBIT SYMBOL, LIZARD SYMBOL, LONE STAR SYMBOL, MARACAS SYMBOL, MOCKINGBIRD SYMBOL, MOONRISE SYMBOL, MORTAR PESTLE SYMBOL, NEWSPAPER SYMBOL, OIL RIG SYMBOL, PECAN TREE SYMBOL, PIÑATA SYMBOL, RACE CAR SYMBOL, RATTLESNAKE SYMBOL, ROADRUNNER SYMBOL, SADDLE SYMBOL, SHIP SYMBOL, SHOES SYMBOL, SOCCER BALL SYMBOL, SPEAR SYMBOL, SPUR SYMBOL, STRAWBERRY SYMBOL, SUNSET SYMBOL, WHEEL SYMBOL, WINDMILL SYMBOL, \$10.00, \$15.00, \$20.00, \$30.00, \$50.00, \$100, \$200, \$500, \$1,000 and \$5,000.

D. Play Symbol Caption- The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2721 - 1.2D

PLAY SYMBOL	CAPTION
ARMADILLO SYMBOL	ARMADILLO
BAT SYMBOL	BAT
BICYCLE SYMBOL	BICYCLE
BLUEBONNET SYMBOL	BLUEBONNET
BOAR SYMBOL	BOAR
BUTTERFLY SYMBOL	BUTTERFLY
CACTUS SYMBOL	CACTUS
CARDINAL SYMBOL	CARDINAL
CHERRIES SYMBOL	CHERRIES
CHILE PEPPER SYMBOL	CHILE PEPPER
CORN SYMBOL	CORN
COVERED WAGON SYMBOL	COVERED WAGON
COW SYMBOL	COW
COWBOY SYMBOL	COWBOY
COWBOY HAT SYMBOL	COWBOY HAT
DESERT SYMBOL	DESERT
FIRE SYMBOL	FIRE
FOOTBALL SYMBOL	FOOTBALL
GEM SYMBOL	GEM
GUITAR SYMBOL	GUITAR
HEN SYMBOL	HEN
HORSE SYMBOL	HORSE
HORSESHOE SYMBOL	HORSESHOE
JACKRABBIT SYMBOL	JACKRABBIT
LIZARD SYMBOL	LIZARD
LONE STAR SYMBOL	LONE STAR
MARACAS SYMBOL	MARACAS
MOCKINGBIRD SYMBOL	MOCKINGBIRD

MOONRISE SYMBOL	MOONRISE
MORTAR PESTLE SYMBOL	MORTAR PESTLE
NEWSPAPER SYMBOL	NEWSPAPER
OIL RIG SYMBOL	OIL RIG
PECAN TREE SYMBOL	PECAN TREE
PIÑATA SYMBOL	PIÑATA
RACE CAR SYMBOL	RACE CAR
RATTLESNAKE SYMBOL	RATTLESNAKE
ROADRUNNER SYMBOL	ROADRUNNER
SADDLE SYMBOL	SADDLE
SHIP SYMBOL	SHIP
SHOES SYMBOL	SHOES
SOCCER BALL SYMBOL	SOCCER BALL
SPEAR SYMBOL	SPEAR
SPUR SYMBOL	SPUR
STRAWBERRY SYMBOL	STRAWBERRY
SUNSET SYMBOL	SUNSET
WHEEL SYMBOL	WHEEL
WINDMILL SYMBOL	WINDMILL
\$10.00	TEN\$
\$15.00	FFN\$
\$20.00	TWY\$
\$30.00	TRTY\$
\$50.00	FFTY\$
\$100	ONHN
\$200	TOHN
\$500	FVHN
\$1,000	ONTH
\$5,000	FVTH

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2721), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 050 within each Pack. The format will be: 2721-0000001-001.

H. Pack - A Pack of the "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game contains 050 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). Ticket back 001 and 050 will both be exposed.

I. Non-Winning Scratch Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery and Charitable Bingo Division of the Texas Department of Licensing and Regulation ("Texas Lottery") pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - Texas Lottery "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game No. 2721.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. Each Scratch Ticket contains exactly seventy-two (72) Play Symbols. A prize winner in the "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose Play Symbols as follows: PLAYBOARDS 1 & 2 INSTRUCTIONS: 1) The player completely scratches the CALLER'S CARD to reveal 28 symbols. 2) The player scratches ONLY the symbols on both PLAYBOARDS that exactly match the symbols revealed on the CALLER'S CARD. 3) If the player reveals a complete row, column or diagonal line on either PLAYBOARD, the player wins the prize for that line. BONUS GAMES INSTRUCTIONS: The player scratches ONLY the symbols on the BONUS GAMES that exactly match the symbols revealed on the CALLER'S CARD. If the player reveals 2 symbols in the same GAME, the player wins the PRIZE for that GAME. INSTRUCCIONES DE JUEGO PARA LAS TABLAS DE JUEGO 1 Y 2: 1) El jugador raspa completamente la CARTA DEL GRITÓN para revelar 28 símbolos. 2) El jugador SOLAMENTE raspa los símbolos en las dos TABLAS DE JUEGO que son exactamente iguales a los símbolos revelados en la CARTA DEL GRITÓN. 3) Si el jugador revela una línea completa, horizontal, vertical o diagonal en cualquiera TABLA DE JUEGO, el jugador gana el premio para esa línea. INSTRUCCIONES DE JUEGO PARA LOS JUEGOS DE BONO: El jugador SOLAMENTE raspa los símbolos en los JUEGOS DE BONO que son exactamente iguales a los símbolos revelados en la CARTA DEL GRITÓN. Si el jugador revela 2 símbolos en el mismo JUEGO, el jugador gana el PREMIO para ese JUEGO. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly seventy-two (72) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;
 2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;
 3. Each of the Play Symbols must be present in its entirety and be fully legible;
 4. Each of the Play Symbols must be printed in black ink except for dual image games;
 5. The Scratch Ticket shall be intact;
 6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;
 7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;
 8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;
 9. The Scratch Ticket must not be counterfeit in whole or in part;
 10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;
 11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;
 12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;
 13. The Scratch Ticket must be complete and not miscut, and have exactly seventy-two (72) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;
 14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;
 15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;
 16. Each of the seventy-two (72) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;
 17. Each of the seventy-two (72) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;
 18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and
 19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.
- B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the

award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: A Ticket can win up to eight (8) times in accordance with the prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. PLAYBOARDS/TABLAS DE JUEGO: There will be no identical Play Symbols in the CALLER'S CARD/CARTA DEL GRITÓN play area.

D. PLAYBOARDS/TABLAS DE JUEGO: At least fourteen (14) but no more than twenty-six (26) CALLER'S CARD/CARTA DEL GRITÓN Play Symbols will match a Play Symbol on either PLAYBOARD/TABLA DE JUEGO play area.

E. PLAYBOARDS/TABLAS DE JUEGO: No identical Play Symbols are allowed on the same PLAYBOARD/TABLA DE JUEGO play area.

F. BONUS GAMES/JUEGOS DE BONO: Every BONUS GAME/JUEGO DE BONO Grid will match at least one (1) Play Symbol to the CALLER'S CARD/CARTA DEL GRITÓN play area.

2.3 Procedure for Claiming Prizes.

A. To claim a "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game prize of \$10.00, \$15.00, \$20.00, \$30.00, \$50.00, \$100, \$200 or \$500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a \$30.00, \$50.00, \$100, \$200 or \$500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game prize of \$1,000, \$5,000 or \$250,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of \$600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the

event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. As an alternative method of claiming a "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is \$1,000,000 or more, the claimant must also provide proof of Social Security number or Tax Payer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery Commission, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under \$600 from the "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of \$600 or more from the "LIMITED EDITION MEGA LOTERIA" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the

Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Prizes. There will be approximately 30,000,000 Scratch Tickets in Scratch Ticket Game No. 2721. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2721 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
\$10.00	3,300,000	9.09
\$15.00	1,200,000	25.00
\$20.00	1,200,000	25.00
\$30.00	1,800,000	16.67
\$50.00	600,000	50.00
\$100	297,500	100.84
\$200	65,000	461.54
\$500	5,000	6,000.00
\$1,000	1,500	20,000.00
\$5,000	190	157,894.74
\$250,000	14	2,142,857.14

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.

**The overall odds of winning a prize are 1 in 3.54. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2721 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the

Scratch Ticket closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302(j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2721, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the

State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202601155

Deanne Rienstra

General Counsel Lottery and Charitable Bingo

Texas Department of Licensing and Regulation

Filed: March 11, 2026



Scratch Ticket Game Number 2732 "RED HOT 5s"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2732 is "RED HOT 5s". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2732 shall be \$5.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2732.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: GOLD BAR SYMBOL, BELL SYMBOL, CROWN SYMBOL, DIAMOND SYMBOL, BOOT SYMBOL, POT OF GOLD SYMBOL, HORSESHOE SYMBOL, CHERRY SYMBOL, LADYBUG SYMBOL, MONEYBAG SYMBOL, MELON SYMBOL, ELEPHANT SYMBOL, HAT SYMBOL, COINS SYMBOL, CACTUS SYMBOL, RING SYMBOL, GRAPE SYMBOL, PEPPER SYMBOL, CLOVER SYMBOL, BANANA SYMBOL, WISHBONE SYMBOL, ANCHOR SYMBOL, HEART SYMBOL, JOKER SYMBOL, 5 SYMBOL, 01, 02, 03, 04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, \$5.00, \$10.00, \$20.00, \$50.00, \$100, \$500, \$1,000, \$5,000 and \$100,000. The possible red Play Symbols are: 01, 02, 03, 04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40 and 5 SYMBOL.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2732 - 1.2D

PLAY SYMBOL	CAPTION
01 (BLACK)	ONE
02 (BLACK)	TWO
03 (BLACK)	THR
04 (BLACK)	FOR
06 (BLACK)	SIX
07 (BLACK)	SVN
08 (BLACK)	EGT
09 (BLACK)	NIN
10 (BLACK)	TEN
11 (BLACK)	ELV
12 (BLACK)	TLV
13 (BLACK)	TRN
14 (BLACK)	FTN
16 (BLACK)	SXN
17 (BLACK)	SVT
18 (BLACK)	ETN
19 (BLACK)	NTN
20 (BLACK)	TWY
21 (BLACK)	TWON
22 (BLACK)	TWTO
23 (BLACK)	TWTH
24 (BLACK)	TWFR
26 (BLACK)	TWSX
27 (BLACK)	TWSV
28 (BLACK)	TWET
29 (BLACK)	TWNI
30 (BLACK)	TRTY

31 (BLACK)	TRON
32 (BLACK)	TRTO
33 (BLACK)	TRTH
34 (BLACK)	TRFR
36 (BLACK)	TRSX
37 (BLACK)	TRSV
38 (BLACK)	TRET
39 (BLACK)	TRNI
40 (BLACK)	FRTY
01 (RED)	ONE
02 (RED)	TWO
03 (RED)	THR
04 (RED)	FOR
06 (RED)	SIX
07 (RED)	SVN
08 (RED)	EGT
09 (RED)	NIN
10 (RED)	TEN
11 (RED)	ELV
12 (RED)	TLV
13 (RED)	TRN
14 (RED)	FTN
16 (RED)	SXN
17 (RED)	SVT
18 (RED)	ETN
19 (RED)	NTN
20 (RED)	TWY
21 (RED)	TWON
22 (RED)	TWTO

23 (RED)	TWTH
24 (RED)	TWFR
26 (RED)	TWSX
27 (RED)	TWSV
28 (RED)	TWET
29 (RED)	TWNI
30 (RED)	TRTY
31 (RED)	TRON
32 (RED)	TRTO
33 (RED)	TRTH
34 (RED)	TRFR
36 (RED)	TRSX
37 (RED)	TRSV
38 (RED)	TRET
39 (RED)	TRNI
40 (RED)	FRTY
5 SYMBOL (BLACK)	DBL
5 SYMBOL (RED)	WINX5
GOLD BAR SYMBOL (BLACK)	BAR
BELL SYMBOL (BLACK)	BELL
CROWN SYMBOL (BLACK)	CRN
DIAMOND SYMBOL (BLACK)	DMD
BOOT SYMBOL (BLACK)	BOOT
POT OF GOLD SYMBOL (BLACK)	PTGD
HORSESHOE SYMBOL (BLACK)	SHOE
CHERRY SYMBOL (BLACK)	CHRY
LADYBUG SYMBOL (BLACK)	LBUG
MONEYBAG SYMBOL (BLACK)	MNBAG
MELON SYMBOL (BLACK)	MELN

ELEPHANT SYMBOL (BLACK)	ELPNT
HAT SYMBOL (BLACK)	HAT
COINS SYMBOL (BLACK)	COINS
CACTUS SYMBOL (BLACK)	CACTUS
RING SYMBOL (BLACK)	RING
GRAPE SYMBOL (BLACK)	GRPE
PEPPER SYMBOL (BLACK)	PEPPER
CLOVER SYMBOL (BLACK)	CLOVER
BANANA SYMBOL (BLACK)	BANANA
WISHBONE SYMBOL (BLACK)	BONE
ANCHOR SYMBOL (BLACK)	ANCHR
HEART SYMBOL (BLACK)	HEART
JOKER SYMBOL (BLACK)	JOKER
\$5.00 (BLACK)	FIV\$
\$10.00 (BLACK)	TEN\$
\$20.00 (BLACK)	TWY\$
\$50.00 (BLACK)	FFTY\$
\$100 (BLACK)	ONHN
\$500 (BLACK)	FVHN
\$1,000 (BLACK)	ONTH
\$5,000 (BLACK)	FVTH
\$100,000 (BLACK)	100TH

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2732), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start

with 001 and end with 075 within each Pack. The format will be: 2732-0000001-001.

H. Pack - A Pack of the "RED HOT 5s" Scratch Ticket Game contains 075 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). The Packs will alternate. One will show the front of Ticket 001 and back of 075 while the other fold will show the back of Ticket 001 and front of 075.

I. Non-Winning Scratch Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery and Charitable Bingo Division of the Texas Department of Licensing and Regulation ("Texas Lottery")

pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - Texas Lottery "RED HOT 5s" Scratch Ticket Game No. 2732.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "RED HOT 5s" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose forty-nine (49) Play Symbols. BONUS PLAY INSTRUCTIONS: \$20 BLAZIN' BONUS: If a player reveals 2 matching Play Symbols in the \$20 BLAZIN' BONUS, the player wins \$20. \$50 BLAZIN' BONUS: If the player reveals 2 matching Play Symbols in the \$50 BLAZIN' BONUS, the player wins \$50. RED HOT 5s PLAY INSTRUCTIONS: If the player matches any of the YOUR NUMBERS Play Symbols, regardless of color, to any of the WINNING NUMBERS Play Symbols, the player wins the PRIZE for that number. If the player reveals a BLACK "5" Play Symbol, the player wins DOUBLE the PRIZE for that symbol. If the player reveals a RED "5" Play Symbol, the player wins 5 TIMES the PRIZE for that Play Symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly forty-nine (49) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;
2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;
3. Each of the Play Symbols must be present in its entirety and be fully legible;
4. Each of the Play Symbols must be printed in black ink except for dual image games;
5. The Scratch Ticket shall be intact;
6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;
7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;
8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;
9. The Scratch Ticket must not be counterfeit in whole or in part;
10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;
11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;
12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;
13. The Scratch Ticket must be complete and not miscut, and have exactly forty-nine (49) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the forty-nine (49) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the forty-nine (49) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. RED HOT 5s - KEY NUMBER MATCH: No prize amount in a non-winning spot will correspond with the YOUR NUMBERS Play Symbol (i.e., 10 and \$10).

D. RED HOT 5s - KEY NUMBER MATCH: A non-winning Prize Symbol will never match a winning Prize Symbol.

E. RED HOT 5s - KEY NUMBER MATCH: A Ticket may have up to three (3) matching non-winning Prize Symbols, unless restricted by other parameters, play action or prize structure.

F. RED HOT 5s - KEY NUMBER MATCH: There will be no matching WINNING NUMBERS Play Symbols, regardless of color, on a Ticket.

G. RED HOT 5s - KEY NUMBER MATCH: There will be at least two (2) RED WINNING NUMBERS Play Symbols on any Ticket, unless restricted by other parameters, play action or prize structure.

H. RED HOT 5s - KEY NUMBER MATCH: There will be no matching non-winning YOUR NUMBERS Play Symbols, regardless of color, on a Ticket.

I. RED HOT 5s - KEY NUMBER MATCH: There will be at least six (6) RED YOUR NUMBERS Play Symbols on a Ticket, unless restricted by other parameters, play action or prize structure.

J. RED HOT 5s - KEY NUMBER MATCH: On winning Tickets, a RED YOUR NUMBERS Play Symbol can match a BLACK WINNING NUMBERS Play Symbol.

K. RED HOT 5s - KEY NUMBER MATCH: The "BLACK 5" (DBL) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

L. RED HOT 5s - KEY NUMBER MATCH: The "RED 5" (WINX5) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

2.3 Procedure for Claiming Prizes.

A. To claim a "RED HOT 5s" Scratch Ticket Game prize of \$5.00, \$10.00, \$20.00, \$50.00, \$100 or \$500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a \$50.00, \$100 or \$500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "RED HOT 5s" Scratch Ticket Game prize of \$1,000, \$5,000 or \$100,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of \$600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. As an alternative method of claiming a "RED HOT 5s" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is \$1,000,000 or more, the claimant must also provide proof of Social Security number or Tax Payer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under \$600 from the "RED HOT 5s" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of \$600 or more from the "RED HOT 5s" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the

Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Prizes. There will be approximately 5,040,000 Scratch Tickets in Scratch Ticket Game No. 2732. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2732 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
\$5.00	504,000	10.00
\$10.00	403,200	12.50
\$20.00	168,000	30.00
\$50.00	67,200	75.00
\$100	23,310	216.22
\$500	1,848	2,727.27
\$1,000	168	30,000.00
\$5,000	10	504,000.00
\$100,000	4	1,260,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.

**The overall odds of winning a prize are 1 in 4.32. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2732 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302(j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2732, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202601162

Deanne Rienstra
 General Counsel Lottery and Charitable Bingo
 Texas Department of Licensing and Regulation
 Filed: March 11, 2026



Scratch Ticket Game Number 2746 "100X"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2746 is "100X". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2746 shall be \$10.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2746.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: 01, 03, 04, 06, 07, 08, 09, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, HORSESHOE SYMBOL, POT OF GOLD SYMBOL, COIN SYMBOL, JOKER SYMBOL, KEY SYMBOL, CHERRY SYMBOL, BELL SYMBOL, DIAMOND SYMBOL, BOOT SYMBOL, CACTUS SYMBOL, CLOVER SYMBOL, LADYBUG SYMBOL, WISHBONE SYMBOL, CROWN

SYMBOL, HEART SYMBOL, GOLD BAR SYMBOL, RING SYMBOL, ANCHOR SYMBOL, PIG SYMBOL, LEMON SYMBOL, BANANA SYMBOL, MELON SYMBOL, APPLE SYMBOL, GRAPE SYMBOL, PALM TREE SYMBOL, SMILE SYMBOL, LIGHTNING BOLT SYMBOL, 2X SYMBOL, 5X SYMBOL, 10X SYMBOL, 100X SYMBOL, \$10.00, \$20.00, \$30.00, \$50.00, \$100, \$200, \$500, \$1,000, \$5,000 and \$250,000.

D. Play Symbol Caption- The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2746 - 1.2D

PLAY SYMBOL	CAPTION
01	ONE
03	THR
04	FOR
06	SIX
07	SVN
08	EGT
09	NIN
11	ELV
12	TLV
13	TRN
14	FTN
15	FFN
16	SXN
17	SVT
18	ETN
19	NTN
20	TWY
21	TWON
22	TWTO
23	TWTH
24	TWFR
25	TWV
26	TWSX
27	TWSV
28	TWET
29	TWN
30	TRTY

31	TRON
32	TRTO
33	TRTH
34	TRFR
35	TRFV
36	TRSX
37	TRSV
38	TRET
39	TRNI
40	FRTY
41	FRON
42	FRTO
43	FRTH
44	FRFR
45	FRFV
46	FRSX
47	FRSV
48	FRET
49	FRNI
50	FFTY
51	FFON
52	FFTO
53	FFTH
54	FFFR
55	FFFV
56	FFSX
57	FFSV
58	FFET
59	FFNI

60	SXTY
61	SXON
62	SXTO
63	SXTH
64	SXFR
65	SXFV
66	SXSX
67	SXSV
68	SXET
69	SXNI
70	SVTY
71	SVON
72	SVTO
73	SVTH
74	SVFR
75	SVFV
HORSESHOE SYMBOL	HRSHOE
POT OF GOLD SYMBOL	PTGOLD
COIN SYMBOL	COIN
JOKER SYMBOL	JOKER
KEY SYMBOL	KEY
CHERRY SYMBOL	CHRY
BELL SYMBOL	BELL
DIAMOND SYMBOL	DIMND
BOOT SYMBOL	BOOT
CACTUS SYMBOL	CACTUS
CLOVER SYMBOL	CLOVER
LADYBUG SYMBOL	LBUG
WISHBONE SYMBOL	BONE

CROWN SYMBOL	CROWN
HEART SYMBOL	HEART
GOLD BAR SYMBOL	BAR
RING SYMBOL	RING
ANCHOR SYMBOL	ANCHR
PIG SYMBOL	PIG
LEMON SYMBOL	LEMN
BANANA SYMBOL	BNNA
MELON SYMBOL	MELN
APPLE SYMBOL	APPL
GRAPE SYMBOL	GRPE
PALM TREE SYMBOL	PALM
SMILE SYMBOL	SMILE
LIGHTNING BOLT SYMBOL	BOLT
2X SYMBOL	DBL
5X SYMBOL	WINX5
10X SYMBOL	WINX10
100X SYMBOL	WINX100
\$10.00	TEN\$
\$20.00	TWY\$
\$30.00	TRTY\$
\$50.00	FFTY\$
\$100	ONHN
\$200	TOHN
\$500	FVHN
\$1,000	ONTH
\$5,000	FVTH
\$250,000	250TH

E. Serial Number- A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2746), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 050 within each Pack. The format will be: 2746-0000001-001.

H. Pack - A Pack of the "100X" Scratch Ticket Game contains 050 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). Ticket back 001 and 050 will both be exposed.

I. Non-Winning Scratch Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery and Charitable Bingo Division of the Texas Department of Licensing and Regulation ("Texas Lottery") pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - Texas Lottery "100X" Scratch Ticket Game No. 2746.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "100X" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose sixty-five (65) Play Symbols. BONUS PLAY INSTRUCTIONS: If a player reveals 2 matching Play Symbols in the same BONUS play area, the player wins the prize for that BONUS. 100X PLAY INSTRUCTIONS: If a player matches any of the YOUR NUMBERS Play Symbols to any of the WINNING NUMBERS Play Symbols, the player wins the PRIZE for that number. If the player reveals a "2X" Play Symbol, the player wins DOUBLE the PRIZE for that symbol. If the player reveals a "5X" Play Symbol, the player wins 5 TIMES the PRIZE for that symbol. If the player reveals a "10X" Play Symbol, the player wins 10 TIMES the PRIZE for that symbol. If the player reveals a "100X" Play Symbol, the player wins 100 TIMES the PRIZE for that symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly sixty-five (65) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;
2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;
3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in black ink except for dual image games;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly sixty-five (65) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the sixty-five (65) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the sixty-five (65) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game)

or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. BONUS: A Ticket will not have matching non-winning Prize Symbols across the three (3) BONUS play areas.

D. BONUS: A non-winning Prize Symbol in one (1) BONUS play area will never match a winning Prize Symbol in another BONUS play area.

E. BONUS: A Ticket will not have matching non-winning Play Symbols across the three (3) BONUS play areas.

F. 100X - Key Number Match: There will be no matching non-winning YOUR NUMBERS Play Symbols on a Ticket.

G. 100X - Key Number Match: There will be no matching WINNING NUMBERS Play Symbols on a Ticket.

H. 100X - Key Number Match: No prize amount in a non-winning spot will correspond with the YOUR NUMBERS Play Symbol (i.e., \$20 and 20).

I. 100X - Key Number Match: A non-winning Prize Symbol will never match a winning Prize Symbol.

J. 100X - Key Number Match: A Ticket may have up to four (4) matching non-winning Prize Symbols, unless restricted by other parameters, play action or prize structure.

K. 100X - Key Number Match: The "2X" (DBL) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

L. 100X - Key Number Match: The "5X" (WINX5) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

M. 100X - Key Number Match: The "10X" (WINX10) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

N. 100X - Key Number Match: The "100X" (WINX100) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

2.3 Procedure for Claiming Prizes.

A. To claim a "100X" Scratch Ticket Game prize of \$10.00, \$20.00, \$30.00, \$50.00, \$100, \$200 or \$500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a \$30.00, \$50.00, \$100, \$200 or \$500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "100X" Scratch Ticket Game prize of \$1,000, \$5,000 or \$250,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is

validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of \$600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. As an alternative method of claiming a "100X" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is \$1,000,000 or more, the claimant must also provide proof of Social Security number or Tax Payer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

- A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

- B. if there is any question regarding the identity of the claimant;

- C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

- D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under \$600 from the "100X" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of \$600 or more from the "100X" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military person-

nel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the

player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Prizes. There will be approximately 8,040,000 Scratch Tickets in Scratch Ticket Game No. 2746. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2746 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
\$10.00	884,400	9.09
\$20.00	522,600	15.38
\$30.00	321,600	25.00
\$50.00	241,200	33.33
\$100	80,400	100.00
\$200	22,445	358.21
\$500	3,350	2,400.00
\$1,000	25	321,600.00
\$5,000	10	804,000.00
\$250,000	4	2,010,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.

**The overall odds of winning a prize are 1 in 3.87. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2746 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the

Scratch Ticket closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302 (j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2746, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202601156
Deanne Rienstra
General Counsel Lottery and Charitable Bingo
Texas Department of Licensing and Regulation
Filed: March 11, 2026



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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