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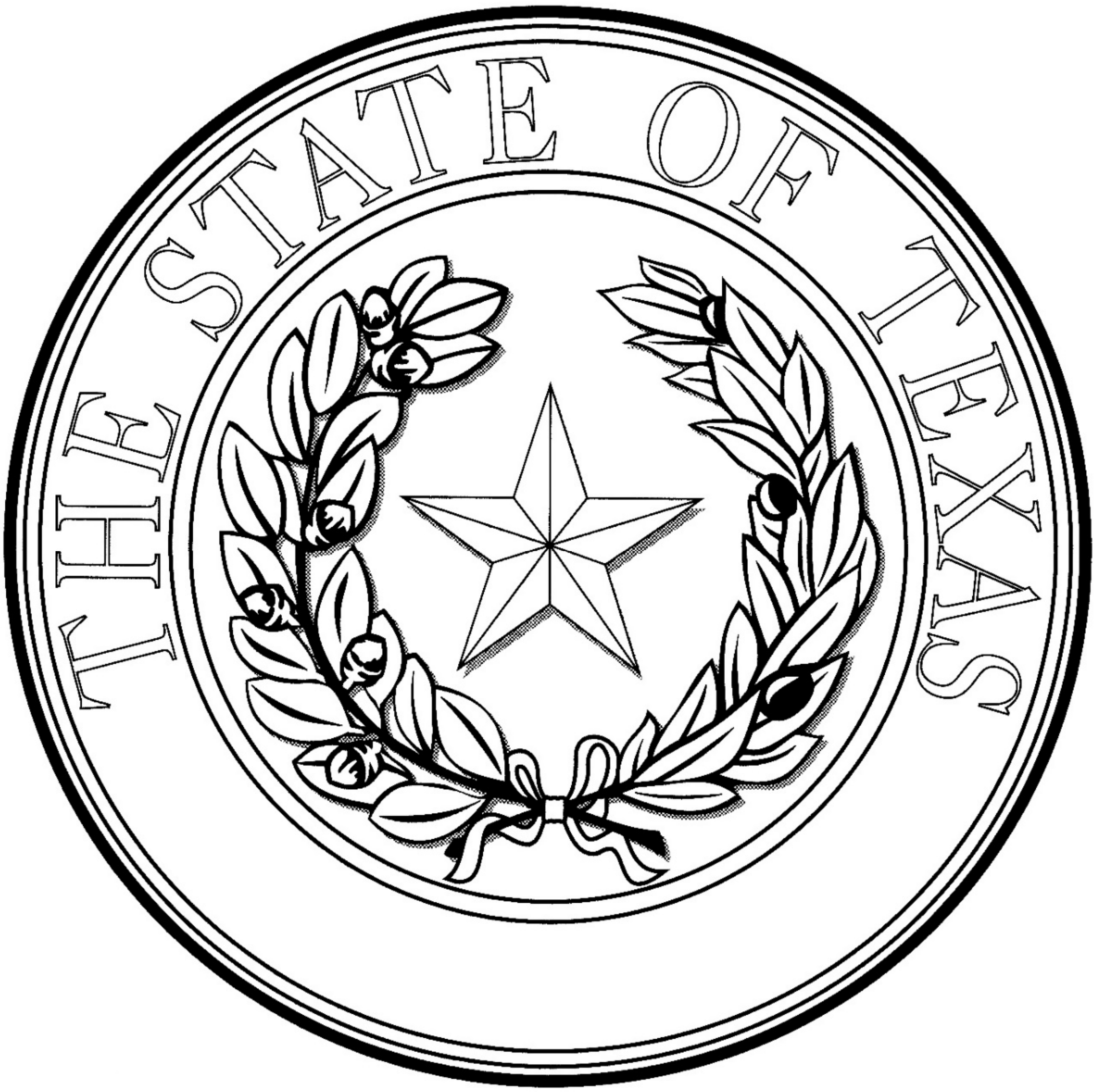

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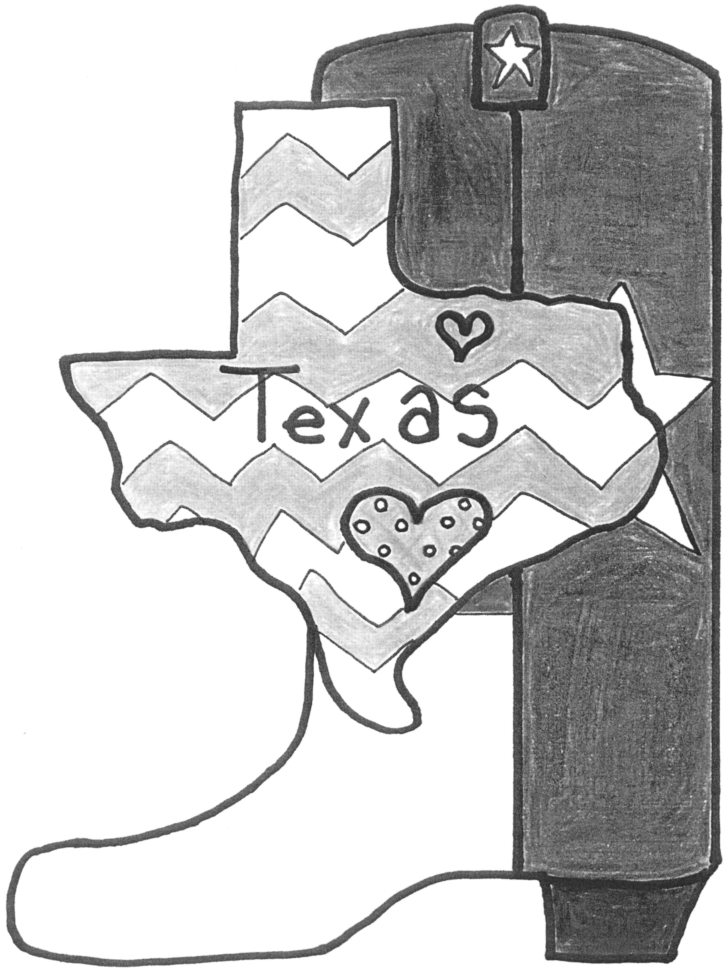

Texas

THE GOVERNOR

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

Appointments

Appointments for April 15, 2026

Appointed to the Jefferson and Orange County Board of Pilot Commissioners for a term to expire August 22, 2027, Brandy M. Bergeron, M.D. of Beaumont, Texas.

Appointed to the Jefferson and Orange County Board of Pilot Commissioners for a term to expire August 22, 2027, Shawn M. Sparrow of Beaumont, Texas.

Appointed to the Jefferson and Orange County Board of Pilot Commissioners for a term to expire August 22, 2027, Amy M. Townsend, M.D. of Orange, Texas.

Appointments for April 24, 2026

Appointed to the Correctional Managed Health Care Committee for a term to expire February 1, 2029, Gonzalo J. Perez-Garcia, M.D. of Dallas, Texas (replacing John W. Burruss, M.D. of Dallas whose term expired).

Appointments for April 27, 2026

Appointed as the Judge of the 170th Judicial District, McLennan County for a term to expire December 31, 2026, Gina C. Long of Axtell, Texas (replacing Judge Jim Meyer of Waco who resigned).

Appointments for April 28, 2026

Appointed to the Board of Pilot Commissioners for Harris County Ports for a term to expire February 1, 2028, Bruce D. Oakley of Houston, Texas (Judge Oakley is being reappointed).

Appointments for April 29, 2026

Appointed to be the presiding office of the Hidalgo County Regional Mobility Authority for a term to expire February 1, 2028, Robert L. Lozano of Edinburg, Texas (Mr. Lozano is being reappointed).

Greg Abbott, Governor

TRD-202601838

♦ ♦ ♦

Proclamation 41-4278

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, do hereby certify that the severe storms event that began on April 24, 2026, and that included heavy rainfall, flash flooding, hazardous wind gusts, large hail, and tornadoes, is causing widespread and severe property damage, injury, or loss of life in Lamar, Parker and Wise Counties;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby declare a state of disaster in the previously listed 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.

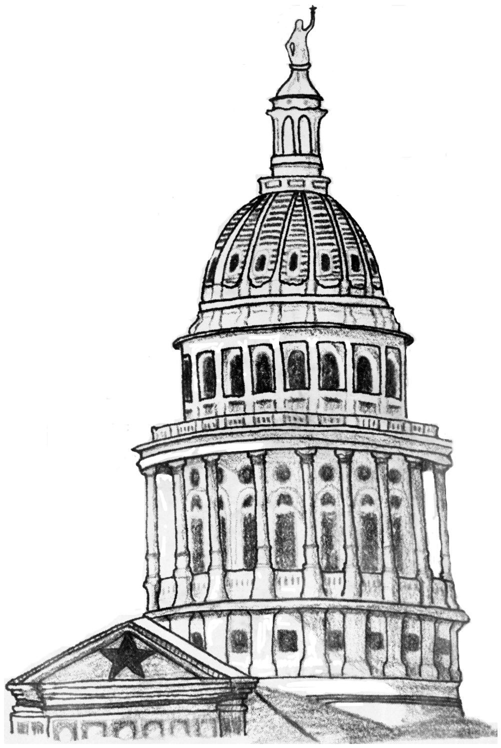
In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

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 27th day of April, 2026.

Greg Abbott, Governor

TRD-202601837

♦ ♦ ♦



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 13. CULTURAL RESOURCES

PART 2. TEXAS HISTORICAL COMMISSION

CHAPTER 13. TEXAS HISTORIC PRESERVATION TAX CREDIT PROGRAM

13 TAC §§13.1 - 13.6, 13.8, 13.9

The Texas Historical Commission (hereafter referred to as the Commission) proposes amendments to §§13.1 - 13.6, 13.8, and 13.9 of Chapter 13 of the Texas Administrative Code, Title 13, Part 2, related to the Texas Historic Preservation Tax Credit Program.

The proposed amendments clarify administrative procedures and further explain the relationship between this program and the Federal Rehabilitation Tax Credit Program. Specifically, the proposed amendments refine definitions and remove language that is redundant with subsequent sections in §13.1; explain the circumstances under which disparate scopes of work may be treated as part of a single or separate applications in §13.2; add evaluation criteria for designation as a Recorded Texas Historic Landmark, and provide clarification and remove typographical errors regarding nonhistoric surface materials in §13.3; clarify procedures for the evaluation of Part B of the application and amendments in §13.4; consolidate duplicative information in §13.5; clarify application review procedures, including for buildings that are not yet certified historic structures in §13.6; disambiguate processing procedures between projects seeking both federal and state tax credits and projects seeking state tax credits only during the federal recapture period in §13.8; and establish that Part A of the application cannot be appealed in §13.9. No revisions are proposed to §13.7 at this time.

FISCAL NOTE. Joseph Bell, Executive Director, has determined that for the first five-year period the rules are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the rules.

PUBLIC BENEFIT. Mr. Bell has also determined that for each year of the first five-year period the rules are in effect the public benefit anticipated as a result of the implementation of these rules will be the certified rehabilitation of certain designated historic buildings.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICROBUSINESSES, AND RURAL COMMUNITIES. Mr. Bell has also determined that there will be no impact on rural communities, small businesses, or micro-businesses as a result of implementing these rules. Accordingly, no regulatory flexibility analysis, as specified in Texas Government Code §2006.002, is required.

ECONOMIC COSTS TO PERSONS AND IMPACT ON LOCAL EMPLOYMENT. There are no anticipated economic costs to persons who are required to comply with the amendments to these rules, as proposed. There is no effect on local economy for the first five years that the proposed new section is in effect; therefore, no local employment impact statement is required under Texas Government Code §2001.022 and 2001.024(a)(6).

GOVERNMENT GROWTH IMPACT STATEMENT. During the first five years that the amendments would be in effect, the proposed amendments: will not create or eliminate a government program; will not result in the addition or reduction of employees; will not require an increase or decrease in future legislative appropriations; will not create a new regulation; will not repeal an existing regulation; and will not result in an increase or decrease in the number of individuals subject to the rule. Implementation of this legislation will lead to an increase in fees paid to a state agency through application fees collected in accordance with Texas Government Code §442.005(f) and 13 Texas Administrative Code §13.1(3). During the first five years that the amendments would be in effect, the proposed amendments will positively affect the Texas economy through the creation of construction-related jobs.

TAKINGS IMPACT ASSESSMENT. The Commission has determined that no private real property interests are affected by this proposal and 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. Comments on the proposal and as to whether the reasons for initially adopting these rules continue to exist may be submitted to Joseph Bell, Executive Director, Texas Historical Commission, P.O. Box 12276, Austin, Texas 78711. Comments will be accepted for 30 days after publication in the *Texas Register*.

STATUTORY AUTHORITY. These amendments are proposed under the authority of Texas Government Code §442.005(q), which provides the Commission with the authority to promulgate rules to reasonably affect the purposes of the Commission, and Texas Government Code §172.110, of the Texas Tax Code, which authorizes the Commission to adopt rules necessary to implement the Tax Credit for Certified Rehabilitation of Certified Historic Structures.

CROSS REFERENCE TO OTHER LAW. No other statutes, articles, or codes are affected by these amendments.

§13.1. Definitions.

The following words and terms when used in these rules shall have the following meanings unless the context clearly indicates otherwise:

(1) Applicant--The entity that has submitted an application for a building or structure of which it is the owner, [~~it owns~~] or for which it has a contract to purchase.

(2) Application--A fully completed Texas Historic Preservation Tax Credit Application form submitted to the Commission, which includes three parts:

(A) Part A - Evaluation of Significance, to be used by the Commission to make a determination whether the building is a certified historic structure;

(B) Part B - Description of Rehabilitation, to be used by the Commission to review proposed projects for compliance with the Standards for Rehabilitation; and

(C) Part C - Request for Certification of Completed Work, to be used by the Commission to review completed projects for compliance with the work approved under Part B.

(3) Application fee--The fee charged by the Commission and paid by the applicant for the review of Part B and Part C of the application as follows:
Figure: 13 TAC §13.1(3) (No change.)

(4) Audited cost report--Such documentation as defined by the Comptroller in 34 TAC Chapter 3, Tax Administration.

(5) Building--Any edifice enclosing a space within its walls, and usually covered by a roof, the purpose of which is principally to shelter any form of human activity, such as shelter or housing, or to provide working, office, parking, display, or sales space. The term includes, among other examples, banks, office buildings, factories, warehouses, barns, railway or bus stations, and stores [~~and may also be used to refer to a historically and functionally related unit, such as a courthouse and jail or a house and barn~~]. Functional constructions made usually for purposes other than creating human shelter or activity such as bridges, windmills, and towers are not considered buildings under this definition and are not eligible to be certified historic structures.

(6) Certificate of Eligibility--A document issued by the Commission to the owner, following review and approval of a Part C application, that confirms the property to which the eligible costs and expenses relate is a certified historic structure and the rehabilitation qualifies as a certified rehabilitation; and specifies the date the certified historic structure was first placed in service after the rehabilitation.

(7) Certified historic structure--A building or buildings located on a property in Texas that is certified by the Commission as:

(A) listed individually in the National Register of Historic Places;

(B) designated as a Recorded Texas Historic Landmark under §442.006, Texas Government Code[~~, or as a State Antiquities Landmark under Chapter 191, Texas Natural Resources Code~~]; §21.6 [~~and §26.3(66) and (67)~~] of this title (relating to Recorded Texas Historic Landmark Designation [~~and Definitions, respectively~~]); [~~or~~]

(C) designated as a State Antiquities Landmark under Chapter 191, Texas Natural Resources Code; §26.3 of this title (relating to Definitions); or

(D) [~~(C)~~] certified by the Commission as contributing to the historic significance of:

(i) a historic district listed in the National Register of Historic Places; or

(ii) a certified local district as per 36 CFR §67.9.

(8) Certified local district--A local historic district certified by the United States Department of the Interior in accordance with 36 CFR §67.9.

(9) Certified rehabilitation--The rehabilitation of a certified historic structure that the Commission has certified as meeting the Standards for Rehabilitation. If the project is submitted for the federal rehabilitation tax credit, it must be reviewed by the National Park Service prior to a determination that it meets the requirements for a certified rehabilitation under this rule. In the absence of a determination for the federal rehabilitation tax credit, the Commission shall have the sole responsibility for certifying the project.

(10) Commission--The Texas Historical Commission.

(11) Comptroller--The Texas Comptroller of Public Accounts.

(12) Contributing--A property [~~building~~] in a historic district considered to be historically, culturally, or architecturally significant according to the criteria established by state or federal government, including those formally promulgated by the National Park Service and the United States Department of the Interior at 36 CFR Part 60 and applicable National Register bulletins.

(13) Credit--The tax credit for the certified rehabilitation of certified historic structures available pursuant to Chapter 172 of the Texas Tax Code.

(14) District--A geographically definable area, urban[~~,~~] or rural, possessing a significant concentration, linkage, or continuity of sites, buildings [~~building~~], structures, or objects united by past events or aesthetically by plan or physical development. A district may also comprise individual elements separated geographically but linked by association or history.

(15) Eligible costs and expenses--The qualified rehabilitation expenditures as defined by §47(c)(2), Internal Revenue Code, including rehabilitation expenses as set out in 26 CFR §1.48-12(c), incurred during the project, except as otherwise specified in Chapter 172 of the Texas Tax Code, or, for a time period beginning January 1, 2026, until the statute reverts on January 1, 2035, by authorized investment of funds by an institution of higher education or university system as defined by Section 61.003, Education Code, if the other provisions of Section 47(c)(2) are met.

(16) Federal rehabilitation tax credit--A federal tax credit for 20% of qualified rehabilitation expenditures with respect to a certified historic structure, as defined in §47, Internal Revenue Code; 26 CFR §1.48-12; and 36 CFR Part 67.

(17) Functionally related buildings--A collection of buildings that were constructed or used to serve and support an overall single purpose during their period of significance. Examples include but are not limited to: a residence and carriage house; a multi-building apartment complex; a multi-building industrial or commercial complex; or buildings constructed as a campus. Buildings within a typical neighborhood or downtown commercial historic district, among other property types, do not count as functionally related buildings with other buildings in the district, unless there is a certain historical attachment other than community development. Functionally related buildings owned by one entity are viewed as a single property while those owned by separate entities are viewed as separate properties.

(18) National Park Service--The agency of the U.S. Department of the Interior that is responsible for certifying projects to receive the federal rehabilitation tax credit.

(19) Owner--A person, partnership, company, corporation, whether for profit or not, governmental body, an institution of higher

education or university system or any other entity holding a legal or equitable interest in a Property or Structure, which can include a full or partial ownership interest. Not all of these owner entities can qualify as an applicant for the credit, based on the requirements listed in Chapter 172 of the Texas Tax Code. A long-term lessee of a property may be considered an owner if their current lease term is at a minimum 27.5 years for residential rental property or 39 years for nonresidential real property, as referenced by §47(c)(2), Internal Revenue Code.

(20) Phased development--A rehabilitation project which may reasonably be expected to be completed in two or more distinct states of development, as defined by United States Treasury Regulation 26 CFR §1.48-12(b)(2)(v). [~~Each phase of a phased development can independently support an Application for a credit as though it was a stand-alone rehabilitation, as long as each phase meets the definition of a Project. If any completed phase of the rehabilitation project does not meet the requirements of a certified rehabilitation, future applications by the same owner for the same certified historic structure will not be considered.~~]

(21) Placed in Service--A status obtained upon completion of the rehabilitation project as described in Part B of the application, and any subsequent amendments, and documented in Part C of the application. Evidence of the date a property is placed in service must be provided as described in §13.5(b)(4) of this title (relating to Request for Certification of Completed Work). [~~includes a certificate of occupancy issued by the local building official and/or an architect's certificate of substantial completion. Other documents will suffice when certificates of occupancy and/or substantial completion are not available for a specific project, including final contractor invoices or other verifiable statements of completion. Alternate documents should be approved by the Commission before submission. Placed in Service documentation must indicate the date that work was completed.~~]

(22) Project--A specified scope of work, as described in a rehabilitation plan submitted with Part B of the application and subsequent amendments, comprised of work items that will be fully completed and Placed in Service. Examples of a project may include, but are not limited to, a whole building rehabilitation, rehabilitation of individual floors or spaces within a building, repair of building features, or replacement of building systems (such as mechanical, electrical, and plumbing systems). Partial or incomplete scopes of work, such as project planning and design, demolition, or partial completion of spaces, features, or building systems are not included in this definition as projects. Per §13.6(f) of this title (relating to Application Review Process), the Commission's review encompasses the entire building and site, including all concurrent work regardless of whether that work is eligible to generate qualified rehabilitation expenditures [~~even if other work items are not included in a submitted project~~].

(23) Property--A parcel of real property containing one or more buildings or structures that is the subject of an application for a credit.

(24) Rehabilitation--The process of returning a building or buildings to a state of utility, through repair or alteration, which makes possible an efficient use while retaining those portions and features of the building and its site and environment which are significant.

(25) Rehabilitation plan--Descriptions, drawings, construction plans, and specifications for the proposed rehabilitation of a certified historic structure in sufficient detail to enable the Commission to evaluate compliance with the Standards for Rehabilitation.

(26) Standards for Rehabilitation--The United States Secretary of the Interior's Standards for Rehabilitation as defined by the National Park Service in 36 CFR §67.7.

(27) Structure--A building; see also certified historic structure. "Structure" may be used in place of the word "building," but all tax credit projects must involve rehabilitation of a building as defined in §13.1(5) of this title.

(28) Tax Credit--A credit earned against either the state franchise tax or the insurance premium tax per Chapter 172 of the Texas Tax Code and any limitations provided therein.

§13.2. Qualification Requirements.

(a) Qualification for credit.

(1) An Owner is eligible for a credit for eligible costs and expenses incurred in the certified rehabilitation of a certified historic structure if:

(A) the rehabilitated certified historic structure is placed in service on or after September 1, 2013;

(B) the Owner has an ownership interest in the certified historic structure in the year during which the structure is placed in service after the rehabilitation; and

(C) the total amount of the eligible costs and expenses incurred exceeds $5,000.

(2) A property for which eligible costs and expenses are submitted for the credit must meet Internal Revenue Code §47(c)(2) which includes:

(A) non-residential real property;

(B) residential rental property; or

(C) other property types exempted from parts of Internal Revenue Code §47(c)(2) as described in Chapter 172 of the Texas Tax Code.

(b) Eligible costs and expenses. Eligible costs and expenses means those costs and expenses allowed pursuant to Internal Revenue Code §47(c)(2) or as exempted by Chapter 172 of the Texas Tax Code. Such eligible costs and expenses, include, but are not limited to:

(1) expenditures associated with structural components as defined by United States Treasury Regulation §1.48-1(e)(2) including walls, partitions, floors, ceilings, windows and doors, stairs, elevators, escalators, sprinkler systems, fire escapes, components of central air conditioning, heating, plumbing, and electrical systems, and other components related to the operation or maintenance of the building;

(2) architectural services;

(3) engineering services;

(4) construction management and labor, materials, and reasonable overhead;

(5) subcontracted services;

(6) development fees;

(7) construction period interest and taxes; and

(8) other items referenced in Internal Revenue Code §47(c)(2).

(c) Ineligible costs and expenses. Eligible costs and expenses as defined in Internal Revenue Code §47(c)(2) do not include the following:

(1) the cost of acquiring any interest in the property;

(2) the personal labor by the applicant;

(3) any cost associated with the enlargement of an existing building;

(4) site work expenditures, including any landscaping, sidewalks, paving, decks, outdoor lighting remote from the building, fencing, retaining walls or similar expenditures; or

(5) any cost associated with the rehabilitation of an outbuilding or ancillary structure unless it is certified by the Commission to contribute to the historical significance of the property.

(d) Eligibility date for costs and expenses.

(1) Part A of the Texas Historic Preservation Tax Credit Certification Application must be submitted prior to the building being placed in service per §13.1(21) of this title (relating to Definitions). Projects that have been placed in service prior to submission of Part A of the application do not qualify for the program.

(2) While the credit may be claimed for eligible costs and expenses incurred prior to the filing of an application, potential applicants are urged to file Parts A and B of the application at the earliest possible date. This will allow the Commission to review the application and provide guidance to the applicant that will increase the chances that the application will ultimately be approved and the credit received.

(3) In certain cases, an applicant may seek to demonstrate that a scope of recently completed work is part of an ongoing project, to be considered cumulatively for qualification for the program. In such cases, the applicant must provide documentation that the previous work is part of a cohesive, ongoing project that has not yet been placed in service, and the Commission will determine whether the prior work is eligible for consideration.

(4) [~~(3)~~] For an institution of higher education or university system as defined by Section 61.003, Education Code, eligible costs and expenditures may only be incurred on or after January 1, 2026, and before January 1, 2035, in accordance with Section 172.102(b) of the Tax Code.

(e) Phased development. Part B applications for rehabilitation of the same certified historic structure may be submitted by the same owner only if they describe clearly defined phases of work that align with a cost report that separates the eligible costs and expenses by phase. Each phase of a phased development can independently support an Application for a credit as though it was a standalone rehabilitation, as long as each phase meets the definition of a Project. Separate Part B and C applications shall be submitted for review by the Commission prior to issuance of a certificate of eligibility for each phase.

(f) Amount of credit. The total amount of credit available is twenty-five percent (25%) of the aggregate eligible costs and expenses incurred in the certified rehabilitation of the certified historic structure.

§13.3. Evaluation of Significance.

(a) Application Part A - Evaluation of Significance. Part A of the application requires information to allow the Commission to evaluate whether a building is a certified historic structure and shall be completed for all buildings to be included in the project. Part A of the application is evaluated against criteria for significance and integrity issued by the National Park Service.

(b) Application Requirements. Information to be submitted in Part A of the application includes:

(1) Name, mailing address, telephone number, and email address of the property owner(s) and Applicant if different from the Owner;

(2) Name and address of the property;

(3) Name of the historic district, if applicable;

(4) Current photographs of the building and its site, showing exterior and interior features and spaces adequate to document the property's significance. Photographs must be formatted as directed by the Commission in published program guidance materials on the Commission's online Texas Historic Preservation Tax Credit Application Guide available by accessing thc.texas.gov;

(5) Date of construction of the property;

(6) Brief description of the appearance of the property, including alterations, characteristic features, and estimated date or dates of construction and alterations;

(7) Brief statement of significance summarizing why a property is:

(A) eligible for individual listing in the National Register of Historic Places;

(B) contributes to a historic district listed in the National Register of Historic Places or a certified local district; or

(C) contributes to a potential historic district, accompanied by:

(i) a map showing the boundary of the potential historic district and the location of the property within the district;

(ii) photographs of other properties in the district; and

(iii) justification for the district's eligibility for listing in the National Register of Historic Places;

(8) A map showing the location of the historic property;

(9) Signature of the Owner, and Applicant if different from the Owner, requesting the determination; and

(10) Other information required on the application by the Commission.

(c) Consultation with Commission. Any person may informally consult with the Commission to determine whether a property is:

(1) listed individually in the National Register of Historic Places;

(2) designated as a Recorded Texas Historic Landmark or State Antiquities Landmark; or

(3) certified by the Commission as contributing to the historic significance of a historic district listed in the National Register of Historic Places or a certified local district.

(d) Automatic qualification as certified historic structure. If a property is individually listed in the National Register of Historic Places or designated as a Recorded Texas Historic Landmark or State Antiquities Landmark, then it is a certified historic structure and should be indicated as such on Part A of the application.

(e) Preliminary determination of significance. An Applicant for a property not listed in the National Register of Historic Places, neither individually nor as a contributing element to a historic district; not designated a Recorded Texas Historic Landmark nor State Antiquities Landmark; and not listed in a certified local district may obtain a preliminary determination from the Commission as to whether the property is individually eligible to become a certified historic structure or is eligible as a contributing structure in a potential or existing historic district by submitting Part A of the application.

(1) Determination of eligibility for designation in the National Register of Historic Places, either individually or as part of a

historic district, will be based on criteria for listing in the National Register of Historic Places. Applications for a preliminary determination of significance must show how the property meets one of the following criteria for listing in the National Register of Historic Places and any applicable criteria considerations from the National Park Service.

(A) [~~1~~] National Register of Historic Places criteria. The quality of significance in American history, architecture, archeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association and one or more of clauses (i) - (iv) of this subparagraph [~~subparagraphs (A) - (D) of this paragraph~~]:

(i) [~~A~~] Properties that are associated with events that have made a significant contribution to the broad patterns of our history; or

(ii) [~~B~~] that are associated with the lives of persons significant in our past; or

(iii) [~~C~~] that embody distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

(iv) [~~D~~] that have yielded, or may be likely to yield, information important in prehistory or history.

(B) [~~2~~] Criteria considerations. Ordinarily cemeteries, birthplaces, or graves of historical figures, properties owned by religious institutions or used for religious purposes, structures that have been moved from their original locations, reconstructed historic buildings, properties primarily commemorative in nature, and properties that have achieved significance within the past 50 years shall not be considered eligible for the National Register. However, such properties will qualify if they are integral parts of districts that do meet the criteria or if they fall within the following categories:

(i) [~~A~~] A religious property deriving primary significance from architectural or artistic distinction or historical importance; or

(ii) [~~B~~] A building or structure removed from its original location but which is significant primarily for architectural value, or which is the surviving structure most importantly associated with a historic person or event; or

(iii) [~~C~~] A birthplace or grave of a historical figure of outstanding importance if there is no appropriate site or building directly associated with his or her productive life; or

(iv) [~~D~~] A cemetery which derives its primary significance from graves of persons of transcendent importance, from age, from distinctive design features, or from association with historic events; or

(v) [~~E~~] A reconstructed building when accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived; or

(vi) [~~F~~] A property primarily commemorative in intent if design, age, tradition, or symbolic value has invested it with its own exceptional significance; or

(vii) [~~G~~] A property achieving significance within the past 50 years if it is of exceptional importance.

(2) Determination of eligibility for designation as a Recorded Texas Historic Landmark will be based on criteria for evaluation described in §442.006, Texas Government Code; §21.9 of this title (relating to Application Evaluation Procedures).

(3) Issuance of a preliminary determination of significance does not bind the Commission to the designation of an individual historic structure or district. Applicants proceed with rehabilitation projects at their own risk. If a structure is ultimately not listed in the National Register of Historic Places, designated as a Recorded Texas Historic Landmark, or certified as a contributing element to a local district pursuant to 36 CFR §67.9, the preliminary determination does not become final, and the owner will not be eligible for the credit. The Commission shall not issue a certificate of eligibility until or unless the designation is final.

(f) Determination of contributing structures in existing historic districts. If a property is located in a district listed in the National Register of Historic Places or in a certified local district, an Applicant or an Owner of the property shall request that the Commission determine whether the property is of historic significance contributing to the district by submitting Part A of the application. The Commission evaluates properties located within historic districts listed in the National Register of Historic Places or certified local districts to determine whether they contribute to the historic significance of the district by applying the following standards:

(1) A property contributing to the historic significance of a district is one which by location, design, setting, materials, workmanship, feeling, and association adds to the district's sense of time and place and historical development.

(2) A property does not contribute to the historic significance of a district if it does not add to the district's sense of time and place and historical development, or if its location, design, setting, materials, workmanship, feeling, and association have been so altered or have so deteriorated that the overall integrity of the building has been irretrievably lost.

(3) Generally, buildings that have been built within the past 50 years shall not be considered to contribute to the significance of a district unless a strong justification concerning their historical or architectural merit is given or the historical attributes of the district are considered to be less than 50 years old at the date of application.

(4) Certification of significance will be made on the basis of the appearance and condition of the property before beginning the rehabilitation work.

(5) If a nonhistoric surface material obscures a building's facade [~~faÃƒ§ade~~], it may be necessary for the owner to remove some or all [~~a portion~~] of the surface material so that a determination of significance can be made. After the material has been removed, if the obscured facade [~~faÃƒ§ade~~] has retained substantial historic integrity and the property otherwise contributes to the significance of the historic district, it will be considered eligible to be a certified historic structure.

(g) Subsequent Designation. A building must be a certified historic structure prior to the issuance of the certificate of eligibility by the Commission as required by §172.105 (b)(1)(A) of the Texas Tax Code. If a property is not automatically qualified as a certified historic structure, an owner of a property shall request that the Commission determine whether the property is of historic significance by submitting Part A of the application in accordance with subsections (e) and (f) of this section. Upon listing in the National Register of Historic Places, designation as a Recorded Texas Historic Landmark, or certification as a contributing element to a local district pursuant to 36 CFR §67.9, Commission staff overseeing the National Register program and the

Official Texas Historical Marker program (as applicable), shall prepare a notification, to be filed with the tax credit application, indicating that the designation process required by Part A has been fulfilled.

(h) Multiple buildings. If a property owned by one entity contains more than one building and the Commission determines that the buildings have been functionally related historically, per §13.1(17) of this title (relating to Definitions), to serve an overall purpose (such as a residence and a carriage house), then the functionally related buildings will be treated as a single certified historic structure, regardless of whether one of the buildings is separately listed in the National Register of Historic Places or as a Recorded Texas Historic Landmark or is located within a historic district. Buildings owned by the same applicant that were not functionally related historically must be submitted as individual buildings on separate applications.

(i) Portions of buildings. Portions of buildings, such as single condominium apartment units, are not independently eligible for certification as an individual space without assessment of any work undertaken elsewhere in the building within the last 24 months, as described in §13.6(f) of this title (relating to Application Review Process). This rule applies even when a building has multiple owners. A full description of all work at the building must be provided with the application.

(j) Relocation of historic buildings. Relocation of a historic building from its original site may disqualify the building from eligibility or result in removal of designation as a certified historic structure. Applications involving buildings that have been moved or are to be moved will be evaluated on a case-by-case basis under the applicable criteria for designation as provided in this section. For a building listed in the National Register of Historic Places, the applicant will be responsible for updating the National Register of Historic Places nomination for the property or district, or the relocated building will not be considered a certified historic structure for the purpose of this credit. For a building designated as a Recorded Texas Historic Landmark, the applicant will be responsible for notifying the Commission and otherwise complying with the requirements of §21.11 of this title (relating to Review of Work on Recorded Texas Historic Landmarks) prior to undertaking any relocation.

§13.4. Description of Rehabilitation.

(a) Application Part B - Description of Rehabilitation. Part B of the application requires information to allow the Commission to determine whether the proposed rehabilitation work is consistent with the Standards for Rehabilitation and shall be completed for all projects and phases of projects. Part B may only be submitted with Part A of the application or after the Part A of the application has been submitted to the Commission.

(b) Application Requirements. If a property is a certified historic structure or receives a preliminary determination of significance, an Applicant or Owner of the property shall request that the Commission determine whether the rehabilitation plan is in conformance with the Standards for Rehabilitation. Information to be submitted in the Part B includes:

(1) Name, mailing address, telephone number, and email address of the Owner and Applicant if different from the Owner;

(2) Name and address of the property;

(3) Current photographs of the building and its site, showing exterior and interior features and spaces adequate to document the property's significance. Photographs must be formatted as directed by the Commission in published program guidance materials on the Commission's online Texas Historic Preservation Tax Credit Application Guide available by accessing thc.texas.gov;

(4) A rehabilitation plan including a detailed description of work, drawings of the site plan and the building floor plans showing existing conditions and all proposed work, with elevation drawings if applicable to illustrate any new construction, alterations, or additions. Drawings of the existing building condition and drawings of the proposed project are generally required to substantiate the scope of the project. If there are inconsistencies between the description of work and architectural plans or other ancillary documents, the information in the description of work will take precedence. If the project is a phased development, a description of all phases of work with the associated timelines shall be provided;

(5) Additional photos as necessary to completely illustrate all areas of the building that will be affected by the rehabilitation;

(6) A timeframe by which all work included in the project will be completed with a projected starting date and completion or placed in service date;

(7) An estimate of the aggregate eligible costs and expenses;

(8) Signature of the Owner, and Applicant if different from the Owner, requesting the review; and

(9) Other information required on the application by the Commission.

(c) Amendment Form. Changes to the project not previously documented in Part B of the application must be submitted for formal review using an Amendment Form. Such changes may include additions or deletions to the scope of work, and/or revisions to the proposed rehabilitation plan. Amendment submissions must include a detailed description of proposed changes to the work, together with supporting documents such as plans, as needed to present the proposed changes to the work. The Amendment Form may also be used to notify the Commission of updated contact information or other project updates.

(d) [~~(c)~~] Determination of certified rehabilitation. Part B rehabilitation plans and amendments are reviewed by staff of the Commission for consistency with the Standards for Rehabilitation as set forth below:

(1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.

(2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

(3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

(4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.

(5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

(6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.

(7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.

(8) Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.

(9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

(10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

§13.5. Request for Certification of Completed Work.

(a) Application Part C - Request for Certification of Completed Work. Part C of the application requires information to allow the Commission to certify the completed work follows the Standards for Rehabilitation and the rehabilitation plan as approved by the Commission in the Part B review, together with any subsequent conditions and amendments. Part C may be submitted when the project is placed in service.

(b) Application requirements. Information to be submitted in the Part C includes:

(1) Name, mailing address, telephone number, and email address of the property owner(s);

(2) Name and address of the property;

(3) Photographs of the completed work showing similar views of the photographs provided in Parts A and B. Photographs must be formatted as directed by the Commission in published program guidance materials on the Commission's online Texas Historic Preservation Tax Credit Application Guide available by accessing thc.texas.gov;

(4) Evidence of the placed in service date. Evidence of the date a property is placed in service includes[~~, such as~~] a certificate of occupancy issued by the local building official and/or an architect's[~~,~~] certificate of substantial completion. Other documents will suffice when certificates of occupancy and/or substantial completion are not available for a specific project and may include[~~,~~] final invoices [~~invoice~~] issued by a contractor or other verifiable statements of completion. [~~, or~~] Alternative [~~alternative~~] documentation should be approved by the Commission before submission. Placed in service documentation must indicate the date that work was completed; and

(5) Other information required on the application by the Commission.

§13.6. Application Review Process.

(a) Application form. The Commission staff will develop the application and may modify it as needed over time. All required forms, including application Parts A, B, C, and amendment forms, are available from the Commission at no cost.

(b) Delivery. Applications will be accepted beginning on January 1, 2015 and continuously thereafter. Applications should be submitted to the Commission in the manner and format directed by the Commission in published program guidance materials on the Commission's online Texas Historic Preservation Tax Credit Application Guide available by accessing thc.texas.gov.

(c) Application Part A - Evaluation of Significance. Part A of the application will be used by the Commission to confirm historic designation or to determine if the property is eligible for qualification as a certified historic structure.

(1) If a property is individually listed in the National Register of Historic Places or designated as a Recorded Texas Historic Landmark or State Antiquities Landmark, the property is qualified as a certified historic structure.

(2) The applicant will be responsible for providing sufficient information to the Commission with which the Commission staff may make a determination. If all requested information is not provided to make a determination that a building is eligible for designation as a certified historic structure, the staff may request additional information from the applicant. If the additional information requested is not provided in a timely manner, the application will be considered incomplete and review of the application will be placed on hold until sufficient information is received.

(3) The Commission staff review Part A of a complete application, unless otherwise provided in §13.8 of this title (relating to Relationship with the Federal Rehabilitation Tax Credit Program), and shall notify the applicant in writing of any determination it makes upon completing the review of Part A of the application.

(4) There is no fee to review Part A of the application.

(d) Application Part B - Description of Rehabilitation. Part B of the application will be used by the Commission to review proposed projects for compliance with the Standards for Rehabilitation.

(1) The applicant will be responsible for providing sufficient information, including photographs taken prior to the project, to the Commission with which the Commission staff may make a determination. If all requested information is not provided to make a determination that a project is eligible as a certified rehabilitation, staff may request additional information from the applicant[~~, usually required to be submitted within 30 days~~]. If the additional information requested is not provided in a timely manner within the review period, the application will be considered incomplete and review of the application will be placed on hold until sufficient information is received.

(2) The Commission staff will review Part B of a complete application, unless otherwise provided in §13.8 of this title (relating to Relationship with the Federal Rehabilitation Tax Credit Program), and shall notify the applicant in writing of any determination it makes upon completing the review of Part B of the application. In reviewing Part B of the application, the Commission shall determine if Part B is approved or not as follows:

(A) Consistent with the Standards for Rehabilitation as determined by the Commission. If all aspects of Part B of the application meet the Standards for Rehabilitation, no additional information is required, and no conditions are imposed on the work, Part B is approved.

(B) Consistent with the Standards for Rehabilitation with specific conditions of work required. The Commission may determine that the work described in the plan must be performed in a specific manner or with specific materials in order to fully comply with the Standards for Rehabilitation. In such cases, Part B may be approved with specific conditions required. For applications found to be consistent with the Standards for Rehabilitation with specific conditions required, the applicant is responsible for making changes to the work to allow the required conditions to be met; it is recommended that the applicant [~~shall~~] provide written acceptance to the Commission of all specific conditions required, and the applicant must present any proposed changes to the work for review by the Commission to ensure the conditions will be successfully met. Otherwise the application will be determined to be not consistent with the Standards for Rehabilitation; applications found to be consistent with the Standards for Rehabilitation with specific conditions required may proceed with the work but will only be eligible for the credit if the conditions listed are met as part of the rehabilitation work. Failure to follow the conditions may result in a determination by the Commission that the project is not consistent with the Standards for Rehabilitation.

(C) Not consistent with the Standards for Rehabilitation. Applications found not to be consistent with the Standards for Rehabilitation will be considered to be ineligible applications and will be denied. If the project can, in the opinion of the Commission, be brought into compliance, [~~;~~] the Commission may issue [~~shall make~~] recommendations for design revisions to [~~to the applicant that might~~] bring the project into conformance with the Standards for Rehabilitation, however no warranty is made that the recommendations will bring the project into compliance with the Standards for Rehabilitation . After a denial, if deniable construction work has not yet been completed,[~~;~~] the applicant may reapply with a revised proposal, and it will be treated as a new application and will be subject to a new application fee.

(3) An application fee is required to be received by the Commission before Commission review of Part B of the application. The fee is based on the estimated amount of eligible costs and expenses listed by the applicant on Part B of the application.

(A) Applicants must submit the fee with Part B of their application or the application will be placed on hold until the fee is received. The fee is calculated according to a fee schedule approved by the Commission and included in the application.

(B) The fee is based on the estimated aggregate eligible costs and expenses indicated in Part B of the application and is not refundable. Resubmission of a rejected application or under any other circumstances will require a new fee. Amendments to a pending application or approved project do not require additional fees.

(4) Amendment Form [~~Sheet~~]. Changes to the project not anticipated in the original application shall be submitted to the Commission on an amendment form [~~sheet~~] and must be approved by the Commission as consistent with the Standards for Rehabilitation before they are included in the project. The Commission shall review the amendment form [~~sheet~~] and issue a determination in writing regarding whether or not the proposed change in the project is consistent with the Standards for Rehabilitation.

(e) Application Part C - Request for Certification of Completed Work. Part C of the application will be used by the Commission to review completed projects for compliance with the work approved under Part B.

(1) The applicant shall file Part C of the application after the building is placed in service.

(2) The applicant will be responsible for providing sufficient information, including photographs before and after the project, to the Commission by which the Commission staff may verify compliance with the approved Part B. If all requested information is not provided to make a determination that a project is eligible as a certified rehabilitation, the application is incomplete and review of the application will be placed on hold until sufficient information is received.

(3) The Commission staff will review Part C of a complete application, unless otherwise provided in §13.8 of this title (relating to Relationship with the Federal Rehabilitation Tax Credit Program), and shall notify the applicant in writing of any determination it makes upon completing the review of Part C of the application.

(A) If the completed project is found to be in compliance with the approved Part B and any required conditions; consistent with the Standards for Rehabilitation, and the building is a certified historic structure at the time of the application, the Commission shall approve the project. The Commission then shall issue to the applicant a certificate of eligibility that confirms the property to which the eligible costs and expenses relate is a certified historic structure and the rehabilitation qualifies as a certified rehabilitation and specifies the date the certified historic structure was first placed in service after the rehabilitation.

(B) If the completed project is not consistent with the Standards for Rehabilitation, with the approved Part B, and/or the specific conditions required, and the project cannot, in the opinion of the Commission, be brought into compliance, [~~or if the building is not a certified historic structure at the time of the application,~~] then the Commission shall deny Part C of the application and no certificate of eligibility shall be issued.

(C) If the completed project is not consistent with the Standards for Rehabilitation, with the approved Part B, and/or the specific conditions required, and the project can, in the opinion of the Commission, be brought into compliance, the Commission may request remedial work [~~issue remedial conditions~~] that will bring the project into compliance. The applicant shall complete the remedial work and file an amended Part C. If the remedial work, in the opinion of the Commission, brings the project into compliance, then the Commission shall issue a certificate of eligibility.

(D) If the completed project is found to be in compliance with the approved Part B and any required conditions, and consistent with the Standards for Rehabilitation, but is not yet a certified historic structure, the Commission shall not issue a certificate of eligibility until such time that the building has become a certified historic structure.

(4) An application fee is charged before Commission review of Part C of the application based on the amount of eligible costs and expenses listed by applicant on Part C of the application.

(A) Applicants must submit the fee with Part C of their application or the application will be placed on hold until the fee is received. The fee is calculated according to a fee schedule approved by the Commission and included in the application.

(B) The fee is based on the eligible costs and expenses as indicated in the audited cost report and is not refundable. Resubmission of a rejected application or under any other circumstances will require a new fee. Amendments do not require additional fees.

(f) Scope of Review. The review encompasses the entire building's site and environment as well as any buildings that were functionally related historically per §13.1(17) and §13.3(h) of this title (relating to Definitions and Evaluation of Significance, respectively). The scope of review for a project is not limited to the work that qualifies as an eligible expense. All work completed by the current applicant twenty-four (24) months before the submission of the application can be considered part of the project, as is the cumulative effect of any work in previously completed or future phases. Any new construction and site improvements occurring on the historic property are considered part of the project. Individual condominiums or commercial spaces within a larger historic building are not considered individual properties apart from the whole. Multiple interior finish-out projects occurring at the same time, for example, whether completed by an owner, multiple owners, or tenants, must all be reviewed to ensure all work to the building meets the Standards for Rehabilitation.

(1) Eligibility for the credit. If a project, including a single phase of work or an overall rehabilitation, does not meet the Standards for Rehabilitation and is denied based on completed construction work, future work on the building or within a set of functionally related buildings, performed by the same owner, shall not be eligible for a credit under this program. If the building is purchased by a new owner, the new owner may apply for tax credits based on a new application and existing conditions at the time of purchase.

(2) An applicant may elect to apply to receive the credit on only the exterior portions of a larger project that includes other work, in which case the scope of review will be limited to the exterior work. For properties that are individually listed on the National Register of Historic Places, are designated as a Recorded Texas Historic Landmark or State Antiquities Landmark, or determined to be eligible for these designations, the scope of review must also include primary interior spaces.

(3) For these projects described in paragraph (2) of this subsection, all work completed by the current owner twenty-four (24) months before the submission of the application, and within the same scope of review (e.g. exterior and/or primary interior) is considered part of the project, as is the cumulative effect of any work in previously completed or future phases within the same scope of review.

(g) Closure of Inactive Applications. The Commission staff may close applications that have been deemed inactive. Closed applications do not qualify as certified rehabilitations and are not eligible for the Texas Historic Preservation Tax Credit unless reopened per paragraph (6) of this subsection.

(1) Applications may be deemed inactive and closed under any of the following circumstances: Part B and Part C application fees have not been received within sixty (60) days of receipt of the application parts; written requests for information necessary to complete the application and provide sufficient documentation to fully review the application are not responded to within sixty (60) days; or, approved application Parts have not progressed to subsequent Parts (for example: Part B has not been submitted following approval of Part A, etc.) and there has been no communication from the applicant to the Commission for a period of twenty-four (24) months or greater.

(2) Applications for projects that are simultaneously applying for federal historic tax credits, per §13.8 of this title (relating to Relationship with the Federal Rehabilitation Tax Credit Program) may also be closed upon closure of the federal application by the National Park Service.

(3) Applicants will be notified in writing of the potential closure and given sixty (60) days to respond, in writing, with a request for the application to remain open; supply missing or requested information; or to request an extension allowing additional time to compile missing or requested information. If no response is received, the application will be closed. Such requests shall not be unreasonably denied but shall not exceed an additional 60 days.

(4) Extensions will be granted, in writing, for a period of time agreed upon by the Commission and the Applicant, based on the status of the project. If an extension is not met, further extensions may be granted if the Applicant documents to the Commission that the project is progressing.

(5) Applications that have been closed will be reopened under the following conditions: the project applicant has not changed; if only Part A of the application has been received, a set of current photos is submitted for review, or if Part B of the application has been received, the overall scope of work presented in Part B of the application has not substantially changed; and the request to reopen the application is made in writing within twenty-four (24) months from the date the application was closed.

(6) If all conditions in paragraph (5) of this subsection are not met, a new application must be filed, including new Part B and Part C application fees.

§13.8. Relationship with the Federal Rehabilitation Tax Credit Program.

(a) Projects seeking federal and state credits. Projects seeking certification for both the federal rehabilitation tax credit and the Texas Historic Preservation Tax Credit must meet eligibility requirements for each program separately.

(1) Applicants for both programs shall submit [~~the first page of~~] the Part A, B, and C application forms, accompanied by the Part 1, 2, and 3 application forms for the federal rehabilitation tax credit program, respectively.

(2) A project, or any part or phase of a project, also submitted for the federal rehabilitation tax credit will be reviewed and approved or rejected by the National Park Service before the Commission issues its determinations under this chapter. [~~Official written determinations from the National Park Service, including Advisory Determinations on phased work, may meet this qualification.~~] The Commission will consider National Park Service decisions in rendering its determinations. A project that receives certification for the purposes of the federal rehabilitation tax credit will receive a certification of eligibility pursuant to the Texas Historic Preservation Tax Credit, provided that the building is a certified historic structure at the time the credit is taken.

(A) An official written determination from the National Park Service on an analogous application part for the same scope of work, including an Advisory Determination for phased work, may meet this qualification.

(B) When a new project is seeking the Texas Historic Preservation Tax Credit and the application for this program coincides with a post-certification amendment submitted for federal compliance during the federal recapture period, these submissions will not be considered analogous, even if they document the same scope of work. The Commission will treat these applications separately and will carry out review of Parts A, B, and C of the application for the state program as described in subsection (b) of this section.

(3) Applicants may subdivide a phased development [~~project~~] submitted for the federal rehabilitation tax credit program into a series of smaller projects submitted for the state program. These smaller projects must be described in the application for the federal credit at the outset of the project, and must correlate to individual phases of the federal phased development [~~project~~]. Each project corresponding to a phase of the federal tax credit project may be submitted for the state credit when that phase of work is placed in service. Official determinations from the National Park Service must still be received for each phase of work submitted for the federal program before the Commission issues its determination on each corresponding smaller project submitted for the state program.

(4) The review fees required per §13.6 of this title, Application Review Process, must be paid before the Commission will issue any determinations or certifications pursuant to the Texas Historic Preservation Tax Credit, even if the project has previously received certification by the National Park Service for the federal rehabilitation tax credit.

(b) Projects seeking state credit exclusively. If the applicant is eligible to claim a state credit exclusively, then the application forms for the Texas Historic Preservation Tax Credit provided by Commission shall be used. Determinations by the Commission that a project includes a certified historic structure and/or a certified rehabilitation apply only to the Texas Historic Preservation Tax Credit Program and are not binding on any other local or federal tax credit program.

§13.9. Appeals.

(a) Denial of Part A of the application cannot be appealed. An applicant may consult with the Commission to identify any available alternative strategies for historic designation. In such a case, the applicant must submit a new Part A application for consideration.

(b) [~~(a)~~] An applicant or owner may appeal any determination on a Part B or Part C application that a rehabilitation does not meet the Secretary of the Interior's Standards for Rehabilitation under §13.6(d)(2)(C) or (e)(3)(B) of this chapter (relating to Application Review Process) and is therefore denied credits. A request for an appeal shall be made in writing to the Executive Director of the Texas Historical Commission, 1511 Colorado Street, Austin, Texas 78711, within 30 days of issuance of the decision that is the subject of the appeal.

(c) [~~(b)~~] All information that the appellant wishes the Executive Director to consider shall be presented in writing. The Executive Director may request additional information from the appellant if the Executive Director determines such additional information is necessary to make a decision on the appeal.

(d) [~~(c)~~] The Executive Director shall consider the appellant's previously submitted application materials, any further written submissions by the appellant, and other available information. The Executive Director may take into account new information not previously available or submitted, alleged errors in professional judgment, alleged prejudicial procedural errors, or other errors related to the previous determination on Part B or Part C of an application.

(e) [~~(d)~~] The Executive Director's decision may reverse the appealed decision in whole or in part, affirm the appealed decision in whole or in part, or resubmit the matter to program staff for further consideration.

(f) [~~(e)~~] A written decision on the appeal will be provided to the appellant no more than 60 days after the Executive Director receives an appeal under this rule; provided, however, that if the Executive Director requests additional information from the appellant then the written decision on the appeal will be provided within 60 days of the last materials provided in response to the Executive Director's request.

(g) [~~(f)~~] The appellant may request that the Executive Director reconsider the Executive Director's decision on appeal. Such requests must be submitted to the address stated above no more than 30 days following issuance of the decision that is the subject of the request for reconsideration. The Executive Director may accept the request and reconsider the decision or deny the request. Appellants are not entitled to further review after the Executive Director's final decision upon a request for reconsideration.

(h) [~~(g)~~] The appeals process established by this rule is not a contested case under Texas Government Code Chapter 2001 and does not grant any right to judicial review.

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 April 24, 2026.

TRD-202601793

Joseph Bell
Executive Director
Texas Historical Commission
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 463-6100

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CHAPTER 15. ADMINISTRATION OF FEDERAL PROGRAMS

13 TAC §15.3

The Texas Historical Commission (Commission) proposes amendments to the Texas Administrative Code, Title 13, Part 2, Chapter 15, §15.3, related to the State Board of Review and National Register. The proposed amendments remove references to the Federal Register; they have changed and could change again in the future, so references to specific rules and sections are suggested to be removed entirely to avoid current and future inaccuracies.

FISCAL NOTE. Joseph Bell, Executive Director, has determined that for the first five-year period the amended rules are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering these rules.

PUBLIC BENEFIT. Mr. Bell has also determined that for the first five-year period the amended rules are in effect, the public benefit will be more accurate information in §15.3.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICROBUSINESSES, AND RURAL COMMUNITIES. Mr. Bell has also determined that there will be no impact on rural communities, small businesses, or micro-businesses as a result of implementing these amendments. Accordingly, no regulatory flexibility analysis, as specified in Texas Government Code §2006.002, is required.

ECONOMIC COSTS TO PERSONS AND IMPACT ON LOCAL EMPLOYMENT. There are no anticipated economic costs to persons who are required to comply with the amendments to these rules, as proposed. There is no effect on local economy for the first five years that the proposed amendments are in effect; therefore, no local employment impact statement is required under Texas Government Code §2001.022 and 2001.024(a)(6).

GOVERNMENT GROWTH IMPACT STATEMENT. During the first five years that the amendments would be in effect, the proposed amendments: will not create or eliminate a government program; will not result in the addition or reduction of employees; will not require an increase or decrease in future legislative appropriations; will not lead to an increase or decrease in fees paid to a state agency; will not create a new regulation; will not repeal an existing regulation; and will not result in an increase or decrease in the number of individuals subject to the rule. During the first five years that the amendments would be in effect, the proposed amendments will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. The Commission has determined that no private real property interests are affected by this proposal and 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. Comments on the proposal and as to whether the reasons for initially adopting these rules continue to exist may be submitted to Joseph Bell, Executive Director, Texas Historical Commission, P.O. Box 12276, Austin, Texas 78711. Comments will be accepted for 30 days after publication in the *Texas Register*.

STATUTORY AUTHORITY. These amendments are proposed under the authority of Texas Government Code §442.005(q), which provides the Commission with the authority to promulgate rules to reasonably affect the purposes of the Commission.

CROSS REFERENCE TO OTHER LAW. No other statutes, articles, or codes are affected by these amendments.

§15.3. State Board of Review/National Register.

(a) Name. The name of this organization shall be the State Board of Review (hereafter referred to as the "board", "review board", or "board of review") for the National Register of Historic Places, Texas.

(b) Purpose. The purpose of this organization is to review and make recommendations to the state historic preservation officer regarding nominations from Texas to the National Register of Historic Places (hereafter referred to as the "National Register"), and to perform other duties and responsibilities as prescribed in the Federal Register.

(c) Membership. The voting membership of the board of review shall consist of 11 Texas residents. The board shall include one professional in the disciplines of history, prehistoric archeology, and historic archeology, and two professionals each in architectural history and architecture. All professional members shall meet the minimum standards of professional qualifications as set forth in the Federal Register [~~(Part V: 36 Code of Federal Regulations Part 61, §61.4(e))~~] and verified by the state historic preservation officer (state liaison officer). Professionals from closely related fields are eligible to serve on the board of review in lieu of the above specified professionals subject to the approval of the National Park Service. Four citizen members with a demonstrated interest, competence, and knowledge in historic preservation will be selected and shall serve as voting members. Whenever possible, one of these members shall be selected from the appointed representatives from Texas serving as advisors to the National Trust for Historic Preservation.

(d) Appointments. Appointments to the board of review shall be upon recommendation of the State Historic Preservation Officer and confirmed by a majority vote of the Texas Historical Commission (hereafter referred to as the "commission"). The term of office for board of review members shall be two years, with five members to be appointed one year and six to be appointed on alternate years. Terms shall begin October 1. Appointments by the commission to fill vacancies may occur at any time during the year. No member of the board shall be appointed to more than three consecutive terms.

(e) Election and duties of officers. A chairperson, vice-chairperson, and secretary will be elected by the review board annually by a majority vote at the first meeting of each federal fiscal year. The chairperson shall perform such duties as are properly required of him or her by the board. He/she shall have general supervision of the affairs of the board, and shall have authority to interpret and carry out all policies established by its members. The vice-chairperson shall perform such duties as the board or chairperson directs, and shall preside in the absence of the chairperson. The secretary shall certify the minutes of all meetings of the board and shall perform other duties as may be prescribed by the chairperson or board. The secretary shall preside in the absence of both the chairperson and the vice-chairperson. The secretary shall complete an evaluation form for each nomination presented by staff at each board meeting. The form will become a part of the commission's permanent record of opinions and decisions by the board, and will be filed in the National Register programs office of the commission.

(f) Meetings. Meetings of the board of review shall be held as many times per year as prescribed in the Federal Register [~~(Part V: 36 Code of Federal Regulations Part 61, §61.4(e))~~] pertaining to the National Register. Other meetings may be called by the chairperson as needed. The majority of the membership shall constitute a quorum and the chairperson shall vote only to break a tie. The chairperson may appoint members to committees for specific purposes and committee meetings may be required. Committee reports, if any, shall be given to the full board. If the elected secretary is absent from a board meeting, the chairperson shall appoint a member of the board to serve as the secretary.

(g) Rules. The board of review shall adopt these written procedures as required by the federal guidelines for the National Register as published in the Federal Register [~~(Part V: 36 Code of Federal Regulations Part 61, §61.4(e))~~]. The adoption of, and amendments to, these rules shall be subject to approval and adoption as rules by the commission.

(h) Code of conduct.

(1) No member of the board of review may vote upon the consideration of a property for nomination to the National Register if the member has a conflict of interest, real or potential, in that vote.

(2) A member of the board of review has a conflict of interest in such a vote if there is likely to be a financial benefit from the property being considered to any of the following:

(A) the member of the board of review; or

(B) any person of the member's immediate family, which includes spouse and any minor children; or

(C) a business partner of the member; or

(D) any organization for profit in which the member, or any person of subparagraphs (B) and (C) of this paragraph is serving or is about to serve as an officer, director, trustee, partner, or employee.

(3) A financial benefit includes, but is not limited to, grant money, contract, subcontract, royalty, commission, contingency, brokerage fee, gratuity, favor, or any other things of real or potential value.

(4) A member of the board who has a conflict of interest may not participate as a private citizen in the deliberations concerning the property being considered for nomination to the National Register.

(5) Prior to any deliberations concerning the property in which a member of the board has a conflict of interest, the member with a conflict shall announce, for the record, that such a conflict exists and physically recuse himself/herself from the decision-making process and not vote directly, in absentia, or by proxy in that matter. Review board minutes must indicate which member recused himself/herself and the reasons for the recusal.

(i) Conduct of meetings. Parliamentary authority shall be according to Robert's Rules of Order, Newly Revised, except where specifically provided for otherwise in these rules.

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

Filed with the Office of the Secretary of State on April 24, 2026.

TRD-202601794

Joseph Bell
Executive Director
Texas Historical Commission
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 463-6100

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CHAPTER 21. HISTORY PROGRAMS
SUBCHAPTER B. OFFICIAL TEXAS HISTORICAL MARKER PROGRAM

13 TAC §§21.6, 21.7, 21.9, 21.11, 21.12

The Texas Historical Commission (hereafter referred to as the Commission) proposes amendments to the Texas Administrative Code, Title 13, Part 2, Subchapter B, Chapter 21, §§21.6, 21.7, 21.9, 21.11, and 21.12, related to Official Texas Historical Markers and Recorded Texas Historic Landmarks (RTHLs). Pursuant to Texas Government Code §2001.039, the Texas Historical Commission will assess whether the reason(s) for initially adopting these rules continue to exist. The proposed amendments correct an inaccuracy in §21.6; remove overly specific and redundant language already given in Official Texas Historical Marker procedures and adds the new Historic Texas Freedmen's Cemetery designation to §21.7 and §21.9; and make language more accurate and clear in §21.11 and §21.12.

FISCAL NOTE. Joseph Bell, Executive Director, has determined that for the first five-year period the amended rules are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering these rules.

PUBLIC BENEFIT. Mr. Bell has also determined that for the first five-year period the amended rules are in effect, the public benefit will be more accurate information and clarity in §§21.6, 21.7, 21.9, 21.11, and 21.12.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICROBUSINESSES, AND RURAL COMMUNITIES. Mr. Bell has also determined that there will be no impact on rural communities, small businesses, or micro-businesses as a result of implementing these amendments. Accordingly, no regulatory flexibility analysis, as specified in Texas Government Code §2006.002, is required.

ECONOMIC COSTS TO PERSONS AND IMPACT ON LOCAL EMPLOYMENT. There are no anticipated economic costs to persons who are required to comply with the amendments to these rules, as proposed. There is no effect on local economy for the first five years that the proposed amendments are in effect; therefore, no local employment impact statement is required under Texas Government Code §2001.022 and 2001.024(a)(6).

GOVERNMENT GROWTH IMPACT STATEMENT. During the first five years that the amendments would be in effect, the proposed amendments: will not create or eliminate a government program; will not result in the addition or reduction of employees; will not require an increase or decrease in future legislative appropriations; will not lead to an increase or decrease in fees paid to a state agency; will not create a new regulation; will not repeal an existing regulation; and will not result in an increase or decrease in the number of individuals subject to the rule. During the first five years that the amendments would be in effect, the proposed amendments will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. The Commission has determined that no private real property interests are affected by this proposal and 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. Comments on the proposed amendments and whether the reasons for initially adopting these rules continue to exist may be submitted to Joseph Bell, Executive Director, Texas Historical Commission, P.O. Box 12276, Austin, Texas 78711. Comments will be accepted for 30 days after publication in the *Texas Register*.

STATUTORY AUTHORITY. These amendments are proposed under the authority of Texas Government Code §442.005(q), which provides the Commission with the authority to adopt rules that it considers proper for the effective administration of Chapter 442, Texas Government Code.

CROSS REFERENCE TO OTHER LAW. No other statutes, articles, or codes are affected by these amendments.

§21.6. Recorded Texas Historic Landmark Designation.

(a) Buildings, structures, and objects as defined in Chapter 26 of this code may be designated as Recorded Texas Historic Landmarks (hereafter referred to as "RTHLs"), provided the following conditions are met:

(1) The property is associated with events that have made a significant contribution to the broad patterns of our history or that are associated with the lives of persons significant in our past;

(2) The property embodies the distinctive characteristics of a type, period, or method of construction, represents the work of a master, possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction;

(3) The property retains integrity at the time of the nomination, as determined by the [~~executive director of the~~] commission;

(4) The property, including the buildings, structures, and objects subject to the designation per subsection (b) of this section, is at least 50 years of age; and

(5) The owner(s) of the property at the time of nomination consents to this designation, which runs with the land and remains in effect under all future owners.

(b) At the choice of the legal owner(s) at the time of nomination, designation either applies to all buildings, structures, and objects, and their setting within the legal description of the property; or applies only to the specific buildings, structures, or objects that are the subject of the nomination and does not affect any other buildings, structures, or objects within the legal description of the property. Prior to designation, commission staff will evaluate whether each nominated building, structure, and object meets the criteria for designation and may recommend changes, subject to owner approval.

(c) Evidence of RTHL designation shall be recorded by the commission in the deed records for the county where the RTHL property is located. Designation becomes effective upon recording. RTHLs designated prior to 2020 remain valid based on approval by the commission; however, if the designation is not recorded, Texas Government Code, §442.016 shall not apply.

(d) RTHL designation shall be indicated on the Official Texas Historical Marker installed at the site after the designation has been approved by the commission and recorded. However, RTHL designation shall be effective until removed by the commission, whether or not the marker remains in place.

(e) Once designated, RTHL properties are subject to provisions of the Texas Government Code, §§442.006(f), 442.011, and 442.016; rules of the commission, including §21.11 of this title (relating to Review of Work on Recorded Texas Historic Landmarks); and other applicable administrative rules.

§21.7. Application Requirements.

(a) Any individual, group or county historical commission may apply to the commission for an Official Texas Historical Marker. The application shall include:

(1) a completed current Official Texas Historical Marker application [~~form~~];

(2) supporting documentation as provided in program guidelines, criteria and procedures adopted by the commission; and

(3) an application fee approved by the commission [~~in the amount of $100~~].

(b) Historic Texas Cemetery and Historic Texas Freedmen's Cemetery markers. A marker, medallion or plaque may be awarded to a cemetery only if the commission has designated the cemetery as an Historic Texas Cemetery or a Historic Texas Freedmen's Cemetery. See §22.6 of this title (relating to Historic Texas Cemeteries) for information concerning Historic Texas Cemetery and Historic Texas Freedmen's Cemetery designations [~~designation~~]. Historic Texas Cemetery and Historic Texas Freedmen's Cemetery name and date plaque applications are accepted year-round. The marker should [~~must~~] be located either at or immediately adjacent to the designated cemetery. In cases where the cemetery is not publicly accessible, the commission will coordinate with the County Historical Commission (CHC) and sponsor to determine an appropriate location for the marker.

(c) [~~The following procedures shall be observed for the marker application process.~~] Potential sponsors should check the commission web site at www.thc.texas.gov for current information on the Official Texas Historical Marker Program's marker application procedures [~~Program~~].

[~~(1) The sponsor must contact the county historical commission (CHC) to obtain a marker application form, to review basic program requirements and to discuss the county's review process and procedures, which differ from county to county. The commission does not mandate a specific review process at the county level, so the sponsor will need to work closely with the CHC to be sure all local concerns and procedures are addressed properly. The CHCs cannot send the application forward until they can certify that the history and the application have been adequately reviewed. Applications for Recorded Texas Historic Landmarks (RTHL) for sites located on private land must include written owner consent of the landowner.~~]

[~~(2) CHC reviews the marker application for accuracy and significance, and either approves the application or works with the sponsor to develop additional information as necessary.~~]

[~~(3) CHC-approved applications are forwarded to the History Programs Division of the commission. Once the application is received by the commission, additional notifications and correspondence will be between the CHC contact and the commission staff contact only, unless otherwise noted.~~]

[~~(4) Commission staff makes a preliminary assessment to determine if the topic is eligible for review and if all required elements are included. The commission will notify the applicant through the CHC once the application has been received.~~]

[~~(5) A $100 application fee is due within ten days upon notification of receipt.~~]

[~~(6) Additional information may be requested via email. Failure to provide all requested materials as instructed will result in cancellation of the application.~~]

[~~(7) Commission staff and commissioners review applications and determine:~~]

[~~(A) eligibility for approval;~~]

[~~(B) size and type of marker for each topic; and~~]

[~~(C) priorities for work schedule on the approved applications.~~]

[~~(8) CHC and sponsor will be notified via email of approval and provided a payment form for the casting of the marker.~~]

[~~(9) The payment must be received in commission offices within 45 days or the application will be cancelled.~~]

[~~(10) Commission staff will write the marker inscription. One review copy will be provided via email to the CHC contact only for local distribution as needed. Inscription review is for accuracy of content only; the commission determines the content, wording, punctuation, phrasing, etc.~~]

[~~(A) Upon approval of the inscription, the CHC contact provides additional copies as necessary for committee, commission, or sponsor review and conveys a single response to the commission.~~]

[~~(B) Upon receipt of emailed approval by the CHC, the commission proceeds with the order.~~]

[~~(C) If changes recommended by the CHC are approved by the commission, staff will send a revised copy for content review. Because inscription reviews are for content only, only two reviews should be necessary to complete this step of the process. Additional requests for revisions are subject to approval by the commission, which will be the sole determiner of warranted requests for changes. Excessive requests for change, or delays in response, may, in the determination of the commission, result in cancellation of the order.~~]

[~~(D) Only the authorized CHC contact - chair or marker chair - can make the final approval of inscriptions at the county level. Final approval will be construed by the commission to mean concurrence by any interested parties, including the sponsor.~~]

[~~(11) After final approval, the order is sent to marker supplier for manufacturing. Subject to the terms of the commission vendor contract, only authorized commission staff may contact the manufacturer relative to any aspect of Official Texas Historical Markers, including those in process or previously approved.~~]

[~~(12) Commission staff reviews galley proofs of markers. With commission approval, manufacturing process proceeds. Manufacturer inspects, crates and ships completed markers and notifies commission, which in turn notifies CHC contact.~~]

[~~(13) With shipment notice, planning can begin on marker dedication ceremony, as needed, in conjunction with CHC, sponsors and other interested parties.~~]

[~~(14) Information on planning and conducting marker ceremonies is provided by the commission through its web site.~~]

[~~(15) Once the planning is complete, the CHC posts the information to the commission web site calendar.~~]

[~~(16) Commission staff enters marker information into the Texas Historic Sites Atlas at website atlas.thc.texas.gov, an online inventory of marker information and inscriptions.~~]

(d) Application content.

(1) Each marker application must address the criteria specified in §21.9 of this title (relating to Applications Evaluation Procedures) in sufficient detail to allow the commission to judge the merit of the application.

(2) Documentation. Each marker application must contain sufficient documentation to verify the assertions about the above criteria. If the claims in the application cannot be verified through documentation, the application will be rejected.

(e) Limitation of markers awarded.

(1) The commission will set a numerical limit on the number of markers that will be approved annually.

(2) No markers in excess of the limit may be approved except by vote of the commission to amend the limit.

§21.9. Application Evaluation Procedures.

(a) The commission adopts the following criteria governing evaluation for approval or rejection of applications for Official Texas Historical Markers, Recorded Texas Historic Landmark [~~Landmarks~~] (RTHL [~~RTHLs~~]) designations, or Historic Texas Cemetery (HTC) and Historic Texas Freedmen's Cemetery (HTFC) designations.

(1) Age: Structures eligible for the RTHL designation and marker must be at least 50 years old. Older structures may be awarded additional weight in evaluation and scoring.

(2) Historical significance/Architectural Significance: The Texas Historical Commission's Division of Architecture evaluates applications for RTHL designations, which are awarded to properties which demonstrate architectural and historical significance and architectural and historical integrity. [~~Architectural significance alone is not enough to qualify a structure for the RTHL designation. It must have an equally significant historical association, and that association can come from an event that occurred at the site; through individuals who owned or lived on the property; or, in the case of bridges, industrial plants, schoolhouses and other non-residential properties, through documented significance to the larger community. Structures deemed architecturally significant are outstanding examples of architectural history through design, materials, structural type or construction methods. In all cases, eligible architectural properties must display integrity; that is, the structure should be in a good state of repair, maintain its appearance from its period of significance and be considered an exemplary model of preservation. Architectural significance is often best determined by the relevance of the property to broader contexts, including geography. Any changes over the years should be compatible with original design and reflect compliance with accepted preservation practices, e.g., the Secretary of the Interior's Standards for Rehabilitation.~~]

(3) State of repair/Integrity: Structures not considered by the commission to be in a good state of repair are not eligible for RTHL designation. The commission reserves the sole right to make that determination relative to eligibility for RTHL markers. [~~Subject marker topics placed at the appropriate site help maintain site integrity. Topics properly documented and understood by the public also help maintain a high degree of integrity.~~]

(4) Diversity of topic for addressing gaps in historical marker program. This criterion addresses the extent to which topic relates to an aspect or area of Texas history that has not been well represented by the marker program.

(5) Value of topic as an undertold or untold aspect of Texas history. This criterion addresses the extent to which topic addresses undertold facets of Texas history and increases the diversity of history and cultures interpreted through the marker program.

(6) Endangerment level of property, site or topic. This criterion addresses the extent to which the property (RTHLs), site or story is in danger of being lost if its history and significance are not documented through the marker program.

(7) Available documentation and resources. This criterion addresses the quality and balance of the research and documentation for the application.

(8) Diversity among this group of candidates. This criterion addresses the extent to which this topic represents an undertold story of Texas history among the applications received during that year's marker cycle.

(9) Relevance to other commission programs. This criterion addresses the extent to which the topic coordinates with other significant programs and initiatives of the agency.

(10) Relevance to the commission's current thematic priorities. This criterion addresses the extent to which the topic coordinates with the thematic priorities set by the commission [~~each year (varies by year)~~].

(11) For Historic Texas Cemetery (HTC) and Historic Texas Freedmen's Cemetery (HTFC) markers, cemetery designation must be recorded before submitting the application for an Official Texas Historical Marker (OTHM).

(b) Applications and topics with exceptional significance directly address established statewide themes, promote undertold stories of Texas history and have exceptional ability to educate the public on aspects of Texas history not fully addressed by the marker program. Applications and topics with high significance address statewide themes, promote undertold stories of Texas history and have some ability to educate the public on aspects of Texas history not fully addressed by the marker program. Applications and topics that meet requirements have been found to fulfill the basic application requirements and guidelines, relate to statewide themes but do not necessarily directly address topics that have not been widely addressed by the marker program. Applications and topics deemed not eligible do not relate to statewide themes and/or do not meet the basic program application requirements and guidelines. All markers must relate to the statewide themes established by the commission. These themes are available on the commission's web site at www.thc.texas.gov. The [~~From time to time the~~] commission may establish thematic priorities for the marker program. Additional points will be awarded to projects falling within these priorities.

(c) The scoring system for ranking applications is provided in the Official Texas Historical Marker Program's marker application procedures, available on the commission web site at www.thc.texas.gov. [~~as follows:~~]

[~~(1) Age - 5 pts. max;~~]

[~~(2) Historical Significance/Architectural Significance - 10 pts. max;~~]

[~~(3) State of Repair/Integrity - 10 pts. max;~~]

[~~(4) Diversity of topic for addressing gaps in historical marker program - 10 pts. max;~~]

[~~(5) Value of topic as an undertold or untold aspect of Texas history - 15 pts. max;~~]

[(6) ~~Endangerment level of property, site or topic - 10 pts. max;~~]

[(7) ~~Available documentation and resources - 10 pts. max;~~]

[(8) ~~Diversity among this group of candidates - 10 pts. max;~~]

[(9) ~~Relevance to other commission programs - 5 pts. max; and~~]

[(10) ~~Relevance to the commission's current thematic priorities - 15 pts. max.~~]

§21.11. Review of Work on Recorded Texas Historic Landmarks.

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

(1) Damage--To alter, in whole or in part. Damage to historical or architectural integrity includes alterations of structural elements, decorative details, fixtures, and other material; construction of additions; relocation; or demolition.

(2) Integrity--Integrity refers to the physical condition and therefore the capacity of the resource to convey a sense of time and place. Integrity is the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's historic or prehistoric period, including the property's location, design, setting, materials, workmanship, feeling, and association. In terms of architectural design, to have integrity means that a building still possesses much of its mass, scale, decoration, and so on, of either the period in which it was conceived and built, or the period in which it was adapted to a later style which has validity in its own rights as an expression of historical character or development. The question of whether or not a building possesses integrity is a question of the building's retention of sufficient fabric to be identifiable as a historic resource. For a building to possess integrity, its principal features must be sufficiently intact for its historic identity to be apparent. A building that is significant because of its historic association(s) must retain sufficient physical integrity to convey such association(s).

(3) Normal maintenance and repair--Work that does not have the potential to cause removal, damage or alteration to the integrity, form, or appearance of the materials, features, or landform of the historic building or structure and its site, is considered to be normal maintenance and repair. Cleaning surfaces with non-corrosive mild solutions and low-pressure water, repainting window frames or doorways with similar paints, or minor repairs such as replacing putty on windows are examples of normal maintenance and repair. Other work, however, may not constitute normal maintenance and repair. For example, permanent masonry damage can result from use of inappropriate cleaning methods, such as sandblasting, high pressure water cleaning, or the use of unsuitable chemicals, or from use of damaging repointing techniques and materials. Replacing historic windows damages the historical integrity of a building, and painting previously unpainted surfaces constitutes alteration. Such work is not considered normal maintenance or repair.

(b) Procedure. As provided for in Texas Government Code, §442.006(f), a person may not damage the historical or architectural integrity of a structure the commission has designated as a Recorded Texas Historic Landmark (landmark) without first notifying the commission. Such notice shall not be required for normal maintenance and repair; for interior work that does not affect the exterior integrity of the property; or for work to the surrounding site unless included as part of the designated landmark.

(1) Notice from the property owner to the commission. At least 60 days prior to the proposed work on a landmark, a written notification from the property owner describing the project shall be submitted to the commission, along with construction documents, sketches, or drawings which adequately describe the full scope of project work and photographs of the areas affected by the proposed changes. Receipt by the commission shall constitute the date notice is given.

(2) Notice from the commission to the property owner. Written notice of the commission's comments pursuant to a review of the proposed work shall be provided by the commission. Comments shall be made based on the Secretary of the Interior's Standards for the Treatment of Historic Properties (1995 and subsequent revisions; codified at 36 Code of Federal Regulations Part 67), which are summarized in subparagraphs (A) - (C) of this paragraph:

(A) Definitions for historic preservation project treatment.

(i) Preservation is defined as the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property. Work, including preliminary measures to protect and stabilize the property, generally focuses upon the ongoing maintenance and repair of historic materials and features rather than extensive replacement and new construction. New exterior additions are not within the scope of this treatment; however, the limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a preservation project.

(ii) Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.

(iii) Restoration is defined as the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration period. The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a restoration project.

(iv) Reconstruction is defined as the act or process of depicting, by means of new construction, the form features, and detailing of a non-surviving site, landscape, building, structure, or object for the purpose of replicating its appearance at a specific period of time and in its historic location.

(B) General standards for historic preservation projects.

(i) A property shall be used as it was historically, or be given a new use that maximizes the retention of distinctive materials, features, spaces, and spatial relationships. Where a treatment and use have not been identified, a property shall be protected and, if necessary, stabilized until additional work may be undertaken.

(ii) The historic character of a property shall be retained and preserved. The replacement of intact or repairable historic materials or alteration of features, spaces, and spatial relationships that characterize a property shall be avoided.

(iii) Each property shall be recognized as a physical record of its time, place and use. Work needed to stabilize, consolidate, and conserve existing historic materials and features shall be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.

(iv) Changes to a property that have acquired historic significance in their own right shall be retained and preserved.

(v) Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.

(vi) The existing condition of historic features shall be evaluated to determine the appropriate level of intervention needed. Where the severity of deterioration requires repair or limited replacement of a distinctive feature, the new material shall match the old in composition, design, color, and texture.

(vii) Chemical or physical treatments, if appropriate, shall be undertaken using the gentlest means possible. Treatments that cause damage to historic materials shall not be used.

(viii) Archeological resources shall be protected and preserved in place to the extent possible. If such resources must be disturbed, mitigation measures shall be undertaken.

(C) Specific standards for historic preservation projects. In conjunction with the eight general standards listed in subparagraph (B)(i) - (viii) of this paragraph, specific standards are to be used for each treatment type.

(i) Standards for rehabilitation.

(I) A property shall be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

(II) The historic character of a property shall be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property shall be avoided.

(III) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, shall not be undertaken.

(IV) Changes to a property that have acquired historic significance in their own right shall be retained and preserved.

(V) Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.

(VI) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and where possible, materials. Replacement of missing features shall be substantiated by documentary and physical evidence.

(VII) Chemical or physical treatments, if appropriate, shall be undertaken using the gentlest means possible. Treatments that cause damage to historic materials shall not be used.

(VIII) Archeological resources shall be protected and preserved in place to the extent possible. If such resources must be disturbed, mitigation measures shall be undertaken.

(IX) New additions, exterior alterations, or related new construction shall not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and shall be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

(X) New additions and adjacent or related new construction shall be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

(ii) Standards for restoration.

(I) A property shall be used as it was historically or be given a new use which reflects the property's restoration period.

(II) Materials and features from the restoration period shall be retained and preserved. The removal of materials or alteration of features, spaces, and spatial relationships that characterize the period shall not be undertaken.

(III) Each property shall be recognized as a physical record of its time, place and use. Work needed to stabilize, consolidate and conserve materials and features from the restoration period shall be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.

(IV) Materials, features, spaces, and finishes that characterize other historical periods shall be documented prior to their alteration or removal.

(V) Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize the restoration period shall be preserved.

(VI) Deteriorated features from the restoration period shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and, where possible, materials.

(VII) Replacement of missing features from the restoration period shall be substantiated by documentary and physical evidence. A false sense of history shall not be created by adding conjectural features, features from other properties, or by combining features that never existed together historically.

(VIII) Chemical or physical treatments, if appropriate, shall be undertaken using the gentlest means possible. Treatments that cause damage to historic materials shall not be used.

(IX) Archeological resources affected by a project shall be protected and preserved in place to the extent possible. If such resources must be disturbed, mitigation measures shall be undertaken.

(X) Designs that were never executed historically shall not be constructed.

(iii) Standards for reconstruction.

(I) Reconstruction shall be used to depict vanished or non-surviving portions of a property when documentary and physical evidence is available to permit accurate reconstruction with minimal conjecture, and such reconstruction is essential to the public understanding of the property.

(II) Reconstruction of a landscape, building, structure, or object in its historic location shall be preceded by a thorough archeological investigation to identify and evaluate those features and artifacts which are essential to an accurate reconstruction. If such resources must be disturbed, mitigation measures shall be undertaken.

(III) Reconstruction shall include measures to preserve any remaining historic materials, features, and spatial relationships.

(IV) Reconstruction shall be based on the accurate duplication of historic features and elements substantiated by documentary or physical evidence rather than on conjectural designs or the availability of different features from other historic properties. A reconstructed property shall re-create the appearance of the non-surviving historic property in materials, design, color, and texture.

(V) A reconstruction shall be clearly identified as a contemporary re-creation.

(VI) Designs that were never executed historically shall not be constructed.

(3) If the proposed work meets the Secretary of the Interior's Standards for the Treatment of Historic Properties, the commission may waive the remainder of the 60-day waiting period described in paragraph (1) of this subsection. If the proposed work does not meet these standards or otherwise would damage the integrity of the landmark, the commission may require an additional waiting period of no longer than 30 days, for a total of up to 90 days from the date notice was given. The waiting period is intended to enhance the chance for preservation, and the commission may negotiate with the property owner during this period. On the expiration of the time limits imposed in the commission's response, the work may proceed, but must proceed not later than the 180th day after the date on which notice was given or the notice is considered to have expired.

§21.12. Marker Text Requests.

(a) A request for a review of the text of any Official Texas Historical Marker (OTHM) that is the property of the State of Texas and which falls under the jurisdiction of the Texas Historical Commission ("Commission") may be submitted to dispute the factual accuracy of the OTHM based on verifiable, historical evidence that the marker, at the time of casting:

(1) Includes the spelling of a name of an individual or organization that was not used historically [~~is not spelled correctly~~];

(2) Includes a date that is not historically accurate; or

(3) Includes a statement that is not historically accurate.[~~; or~~]

[~~(4) Has been installed at the wrong location.~~]

(b) A request for review of OTHM text shall be submitted on a form provided by the Commission for that purpose, accompanied by no more than 10 single-sided pages of supplemental material printed in a font size no smaller than 11.

(c) OTHM review requests shall be submitted to the Commission at 1511 Colorado St., Austin, Texas 78701; by mail to P.O. Box 12276, Austin, Texas 78711; or by email to thc@thc.texas.gov. The Commission will send a copy of the request and supporting materials to the County Historical Commission (CHC) for the county in which the OTHM is located, return receipt requested. In the absence of a formally established [~~formally-established~~] CHC, a copy will be submitted to the county judge, return receipt requested.

(d) The CHC or county judge shall have 10 business days from the date of receipt of the request to submit a response to the Commission if they wish to do so. The CHC's or county judge's response shall consist of not more than 10 single-sided pages of material printed in a font size no smaller than 11 and shall be signed by the chair of the CHC or, in the absence of a formally established CHC, by the county judge.

(e) Within 20 days of receiving the CHC's or county judge's response to the request, or within 30 days of receiving the request itself if there is no CHC or county judge response, the staff at the Commission shall review the information submitted and respond to the requestor and to the CHC or county judge with the staff recommendation in writing, return receipt requested.

(f) During the period previously referred to in Section (e) of this section, Commission staff may choose to refer the request to a panel of professional historians for a recommendation.

(g) The panel will consist of three professional historians:

(1) the State Historian appointed by the Governor pursuant to Texas Government Code Section 3104.051;

(2) the historian appointed by the Governor to serve on the Commission pursuant to Texas Government Code Section 442.002; and

(3) a professional historian selected by these two historians from the faculty of a public college or university upon receiving the request. If no professional historian has been appointed by the Governor to serve on the Commission, the Governor's appointed chair of the Commission or the chair's designee will serve on the panel in place of that individual.

(h) In reaching its decision, the panel will review the same information reviewed by the staff, as well as any additional information provided by staff, which shall be no more than 10 single-sided pages of supplemental material printed in a font size no smaller than 11. The panel shall be chaired by the State Historian who shall determine whether the panel will meet in person or deliberate through electronic or other means.

(i) The panel shall develop a written recommendation supported by at least two of its members. The written recommendation of the panel will be delivered to the Commission staff no later than 30 days following the panel's receipt of the background materials as provided above. If the panel is unable to develop such a recommendation, the panel chair shall so report in writing to the Commission's staff within the same 30-day period. Commission staff will consider the panel's report and send their final recommendation to the requestor and to the CHC or county judge within 15 days after receiving the panel's report, return receipt requested.

(j) If the requestor, or the County Historical Commission or county judge are not satisfied with the staff recommendation, they may choose to file an objection with the Commission's History Programs Committee ("Committee"). Such objections must be postmarked no later than 5 days following receipt of the staff recommendation. If no such objection is filed, the staff or panel recommendation with accompanying marker text revisions will be placed on the next consent agenda of the Texas Historical Commission for approval.

(k) Review of objections filed with the Committee shall be based on copies of the same information as was initially provided to the panel of historians under section (g) above. If the matter was not submitted to the panel of historians, the objection shall be based on the material previously submitted by the requestor or requestors and CHC or county judge to the marker staff under sections (b) and (d) above, and on any additional information provided by marker staff, which shall be no more than 10 single-sided pages of supplemental material printed in a font size no smaller than 11.

(l) The Committee shall include the objection on the agenda of its next scheduled meeting, assuming said meeting happens at least 20 days after the objection is received by the Commission. If the 20-day deadline is not met, the objection shall be on the agenda of the following meeting of the Committee.

(m) The Committee may choose to take public testimony on the objection, or not. If public testimony is invited, such testimony may be limited by the Committee chair to a period of time allocated per speaker, per side (pro and con) or both.

(n) The decision of the Committee, along with any recommendation from staff and/or the panel, shall be placed on the consent agenda of the full Commission for approval.

(o) If a request or objection is approved by the Commission, the existing marker will be replaced or another option provided at no cost to the requestor, subject to the availability of funds for that purpose. [~~If such funds are not readily available, a supplemental marker may serve in the interim.~~]

(p) With all approved requests or objections, Commission staff will write the replacement text. Markers will be produced by the contracted foundry and production will be subject to the foundry's schedule.

(q) The Commission will not accept subsequent requests or objections that are substantively similar to a request or objection that is already going through or has already gone through this request process. A decision not to accept a request or objection under this section may be made by the Executive Director.

(r) A request for review may only be filed against a single marker, and no individual or organization may file more than one request for review per calendar year.

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 April 24, 2026.

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Joseph Bell
Executive Director
Texas Historical Commission
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For further information, please call: (512) 463-6100

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TITLE 16. ECONOMIC REGULATION

PART 4. TEXAS DEPARTMENT OF LICENSING AND REGULATION

CHAPTER 111. SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS

The Texas Department of Licensing and Regulation (Department) proposes amendments to existing rules at 16 Texas Administrative Code (TAC), Chapter 111, at Subchapter A, §111.2; Subchapter B, §111.12 and §111.13; Subchapter F, §111.50 and §111.55; Subchapter H, §111.70; and Subchapter W, §111.220, regarding the Speech-Language Pathologist and Audiologist program. These proposed changes are referred to as the "proposed rules."

EXPLANATION OF AND JUSTIFICATION FOR THE RULES

The rules under 16 TAC, Chapter 111, implement Texas Occupations Code, Chapter 401, Speech-Language Pathologist and Audiologist.

The proposed rules are necessary to implement the statutory changes made by the 89th Legislature, Regular Session. Specifically, the proposed rules implement Senate Bill (SB) 904, Section 1, SB 905, Sections 1, 2, 3, and 4, and SB 2075, Sections 9 and 10, by the 89th Legislature, Regular Session (2025). The proposed rules also include changes suggested by Departmental divisions during the four-year rule review of Chapter 111, including the Licensing division and Compliance division.

The proposed rules remove language that would require the six-year terms of three members of the advisory board to expire on February 1 of each odd-numbered year and change the advisory board's presiding officer's term from one year to two years, allowing the advisory board member to serve their full six-term, regardless of when appointed.

The proposed rules eliminate the definition of "Provisional Licensee," as provisional licenses are no longer needed now that the jurisprudence exam is always available. They also remove requirements for speech-language pathology (SLP) assistant applicants to submit verification of 25 clinical observation hours and 25 clinical assisting hours to the Department, as well as the requirement to complete any missing hours under direct supervision after licensure. Additionally, the rules renumber §111.55(b)(1) - (8).

The proposed rules amend the existing clinical observation and experience requirements for SLP assistants to require that verification of their 25 hours of clinical observation and 25 hours of clinical assisting experience are submitted to the assistant's supervisor upon license issuance. The proposed rules also reorganize the requirements of §111.50(d) and §111.50(e) in a more logical manner.

The proposed rules allow audiology license applicants to qualify with a master's degree in audiology awarded on or before December 31, 2007. Applicants awarded the equivalent of a master's degree in audiology from a foreign university on or before December 31, 2007, must also obtain an evaluation showing their degree is equivalent to a degree from an accredited U.S. program. The rules also repeal the requirement that the Texas Commission of Licensing and Regulation adopt rules for selling hearing instruments with input from both the Speech-Language Pathologist and Audiologist Advisory Board and the Hearing Instrument Fitters and Dispensers Advisory Board.

Advisory Board Recommendations

The proposed rules were presented to and discussed by the Speech-Language Pathologists and Audiologists Advisory Board at its meeting on March 23, 2026. The Advisory Board did not make any changes to the proposed rules. The Advisory Board voted and recommended that the proposed rules be published in the *Texas Register* for public comment.

SECTION-BY-SECTION SUMMARY

Subchapter A. General Provisions

The proposed rules amend §111.2. Definitions. The proposed rules repeal the definition of "Provisional Licensee." Provisional licenses for Speech-Language Pathologists and Audiologists originated when the jurisprudence exam was offered only a few times a year, allowing individuals to work while waiting to take it. Now, the jurisprudence exam is accessible year-round, making such provisional licenses unnecessary.

Subchapter B. Speech-Language Pathologists and Audiologists Advisory Board

The proposed rules amend §111.12, Terms; Vacancies. The proposed rules under subsection (a) remove language that would require the six-year terms of three members of the advisory board to expire on February 1 of each odd-numbered year.

The proposed rules amend §111.13, Officers. The proposed rules under subsection (a) change the advisory board's presiding officer's term from one year to two years.

Subchapter F. Requirements for Assistant in Speech-Language Pathology License

The proposed rules add new rules to §111.50, Assistant in Speech-Language Pathology License--Licensing Requirements--Education and Clinical Observation and Experience. Specifically, the new rules modify §111.50(d), Clinical Observation and Experience.

The proposed rules add new §111.50(d)(2), which requires that if any of the 25 hours of clinical observation and 25 hours of clinical assisting experience required for licensure as a SLP assistant were earned during training, then this verification must be submitted to the assistant's supervisor after the license is issued.

The proposed rules also amend §111.50, Assistant in Speech-Language Pathology License--Licensing Requirements--Education and Clinical Observation and Experience. Specifically, the proposed rules amend §111.50(d)(1) to clarify that the requirements of §111.50(d)(1) are prescribed by §111.50(d), not §111.50(e).

Also, the proposed rules reorganize the requirements of §111.50(d) and §111.50(e) in a more logical manner. Specifically, the proposed rules move former §111.50(e) to §111.50(d)(3), move former §111.50(e)(1) to §111.50(d)(3)(A), move former §111.50(e)(2) to §111.50(d)(3)(B), and move former §111.50(d)(2) to §111.50(e).

The proposed rules amend §111.55, Assistant in Speech-Language Pathology License--Application and Eligibility Requirements.

The proposed rules repeal subsection (b)(5) and remove the requirement that applicants for licensure as an assistant in speech-language pathology must provide the Department verification from their university program that the applicant completed 25 hours of clinical observation and 25 hours of clinical assisting experience.

The proposed rules repeal subsection (b)(6) and remove the requirement that applicants who did not obtain all 25 hours of clinical observation and 25 hours of clinical assisting experience complete those hours under direct supervision by an approved supervisor after the license is issued.

Finally, the proposed rules renumber §111.55(b)(1) - (8).

Subchapter H. Requirements for Audiology License

The proposed rules amend §111.70, Audiology License--Licensing Requirements. The proposed rules under subsection (b) now authorize an applicant seeking licensure as an audiologist to qualify if the applicant possesses a master's degree in audiology conferred on or before December 31, 2007.

The proposed rule of subsection (d) now require an applicant who earned a master's degree in audiology at a foreign university on or before December 31, 2007 to hire a transcript evaluation service to determine the applicant's degree is the equivalent of a degree obtained from a program accredited by a national accrediting organization approved by the commission or department and recognized by the United States secretary of education under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.).

Finally, the proposed rules renumber §111.70(e) and (f).

Subchapter W. Joint Rule Regarding the Sale of Hearing Instruments

The proposed rules amend §111.220, Requirements Regarding the Sale of Hearing Instruments. The proposed rules under subsection (a) repeal the requirement that the TDLR Commission adopt rules governing the sale of hearing instruments with the assistance of both the Speech-Language Pathologist and Audiologist Advisory Board and the Hearing Instrument Fitters and Dispensers Advisory Board.

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 proposed rules will benefit speech language pathologists who graduated with a master's degree in audiology before 2008, if they choose to enter the workplace or move to Texas, since there were no doctorate programs available prior to that time. Previously, when individuals would come to the state or re-enter the workforce after an absence, they would have to request TDLR's executive director to approve an individual waiver. The proposed rules also eliminate an obsolete license type and streamline the process for speech-language pathology assistants to gain clinical observation and clinical assisting experience hours once licensed, thereby reducing bureaucracy. These rule changes eliminate confusion, allowing for a more efficient application process for both the applicant and staff.

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 are no anticipated economic costs to persons who are required to comply with the proposed rules.

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 do not have a fiscal note that imposes a cost on regulated persons, including another state agency, a special district, or a local government. 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 expand, limit, or repeal an existing regulation.

Mr. Couvillon has determined that the proposed rules expand an existing regulation by authorizing an applicant for an audiology license who graduated with a master's degree in audiology before 2008 to qualify for licensure and also clarifying the requirements for foreign graduates of that time period.

Mr. Couvillon has also determined that the proposed rules repeal an existing regulation by removing the requirement for speech language pathology assistant applicants to submit a clinical deficiency form under certain conditions, and to submit verification of clinical observation and clinical assisting experience hours to the speech-language pathology assistant's supervisor instead of submitting to TDLR.

Mr. Couvillon has also determined that the proposed rules eliminate an existing regulation by eliminating the provisional license type.

Mr. Couvillon has also determined that the proposed rules limit an existing regulation by removing the requirement that all rulemakings for this chapter be reviewed by the Hearing Instrument Fitters and Dispensers Advisory Board.

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/SLPA_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*.

SUBCHAPTER A. GENERAL PROVISIONS

16 TAC §111.2

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 401, 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 401. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), Senate Bill 905, 89th Legislature, Regular Session (2025), and Senate Bill No. 2075, 89th Legislature, Regular Session (2025).

§111.2. Definitions.

Unless the context clearly indicates otherwise, the following words and terms must have the following meanings.

(1) - (30) (No change.)

[~~(31) Provisional Licensee--An individual granted a provisional license under Texas Occupations Code §401.308.~~]

(31) [~~(32)~~] Sale--The term includes a lease, rental, or any other purchase or exchange for value. The term does not include a sale at wholesale by a manufacturer to a person licensed under the Act or to a distributor for distribution and sale to a person licensed under the Act.

(32) [~~(33)~~] Speech-language pathologist--An individual who holds a license under Texas Occupations Code §401.302 and §401.304, to practice speech-language pathology.

(33) [~~(34)~~] Speech-language pathology--The application of nonmedical principles, methods, and procedures for measurement, testing, evaluation, prediction, counseling, habilitation, rehabilitation, or

instruction related to the development and disorders of communication, including speech, voice, language, oral pharyngeal function, or cognitive processes, for the purpose of evaluating, preventing, or modifying or offering to evaluate, prevent, or modify those disorders and conditions in an individual or a group.

(34) [~~(35)~~] Supervisor--An individual who holds a license under Texas Occupations Code §401.302 and §401.304 and whom the department has approved to oversee the services provided by the assigned assistant and/or intern. The term "supervisor" and "department-approved supervisor" have the same meaning as used throughout this chapter.

(35) [~~(36)~~] Telehealth--See definition(s) in Subchapter V, Telehealth.

(36) [~~(37)~~] Tele-supervision--Supervision of interns or assistants that is provided remotely using telecommunications technology.

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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Deanne Rienstra
General Counsel
Texas Department of Licensing and Regulation
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For further information, please call: (512) 475-4879

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SUBCHAPTER B. SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS ADVISORY BOARD

16 TAC §111.12, §111.13

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 401, 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 401. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), Senate Bill 905, 89th Legislature, Regular Session (2025), and Senate Bill No. 2075, 89th Legislature, Regular Session (2025).

§111.12. Terms; Vacancies.

(a) Members are appointed for staggered six-year terms. [~~The terms of three members expire September 1 of each odd-numbered year.~~]

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

§111.13. Officers.

(a) The presiding officer of the commission shall designate a member of the advisory board to serve as the presiding officer of the advisory board for a term of two years [~~one year~~].

(b) (No change.)

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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SUBCHAPTER F. REQUIREMENTS FOR ASSISTANT IN SPEECH-LANGUAGE PATHOLOGY LICENSE

16 TAC §111.50, §111.55

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 401, 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 401. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), Senate Bill 905, 89th Legislature, Regular Session (2025), and Senate Bill No. 2075, 89th Legislature, Regular Session (2025).

§111.50. Assistant in Speech-Language Pathology License--Licensing Requirements--Education and Clinical Observation and Experience.

(a) - (c) (No change.)

(d) Clinical Observation and Experience. The applicant must have earned at least 25 hours of clinical observation in the area of speech-language pathology and 25 hours of clinical assisting experience in the area of speech-language pathology.

(1) (No change.)

(2) Verification of 25 hours of clinical observation and 25 hours of clinical assisting experience from the university program director or designee of the college or university training program showing the applicant completed the requirements set out in paragraph (1) of this subsection, if any hours were earned, must be submitted to the assistant's supervisor upon license issuance.

[~~(2) An applicant who held an assistant license in another state and completed hours for that license does not need to submit proof of completion of the 25 hours of clinical observation and 25 hours of clinical assisting experience.~~]

(3) An applicant who has not acquired the required hours under this subsection must complete the hours under 100% direct supervision by the approved supervisor once the license is issued and before the assistant may begin to practice.

(A) The licensed speech-language pathologist who will provide the applicant with the training to acquire these hours must meet the requirements set out in the Act and §111.154, must be the approved supervisor of the assistant, and must have the assistant complete any missing hours under 100% direct supervision before allowing the assistant to practice without 100% direct supervision.

(B) If the assistant changes supervisors before completing the missing clinical observation and clinical assisting experience hours, the assistant must complete the missing hours under 100% direct supervision by the new supervisor before being allowed to provide services under the assistant license.

(e) An applicant who held an assistant license in another state and completed hours for that license does not need to submit proof of completion of the 25 hours of clinical observation and 25 hours of clinical assisting experience.

[~~(e) An applicant who has not acquired the required hours under subsection (d) must complete the hours under 100% direct supervision by the approved supervisor once the license is issued and before the assistant may begin to practice.~~]

[~~(1) The licensed speech-language pathologist who will provide the applicant with the training to acquire these hours must meet the requirements set out in the Act and §111.154, must be the approved supervisor of the assistant, and must have the assistant complete any missing hours under 100% direct supervision before allowing the assistant to practice without 100% direct supervision.~~]

[~~(2) If the assistant changes supervisors before completing the missing clinical observation and clinical assisting experience hours, the assistant must complete the missing hours under 100% direct supervision by the new supervisor before being allowed to provide services under the assistant license.~~]

(f) - (g) (No change.)

§111.55. Assistant in Speech-Language Pathology License--Application and Eligibility Requirements.

(a) (No change.)

(b) An applicant for an assistant in speech-language pathology license must submit the following required documentation:

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

[~~(5) verification of 25 hours of clinical observation and 25 hours of clinical assisting experience from the university program director or designee of the college or university training program showing the applicant completed the requirements set out in §111.50(d), if any hours were earned;~~]

[~~(6) for an applicant who did not obtain the hours referenced in paragraph (5), the missing hours must be completed under direct supervision by the approved supervisor upon license issuance;~~]

(5) [~~(7)~~] proof of successfully completing the jurisprudence examination under §111.23; and

(6) [~~(8)~~] the initial application fee required under §111.160.

(c) - (d) (No change.)

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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SUBCHAPTER H. REQUIREMENTS FOR AUDIOLOGY LICENSE

16 TAC §111.70

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 401, 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 401. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), Senate Bill 905, 89th Legislature, Regular Session (2025), and Senate Bill No. 2075, 89th Legislature, Regular Session (2025).

§111.70. Audiology License--Licensing Requirements.

(a) (No change.)

(b) Education. The applicant for an audiology license must possess at least:

(1) a master's degree in audiology conferred on or before December 31, 2007; or

(2) a doctoral degree in audiology or a related hearing science completed at a college or university that has a program accredited by a national accrediting organization that is approved by the department and recognized by the United States Secretary of Education under the Higher Education Act of 1965 (20 U.S.C. §1001 et seq.).

[~~(b) Education. The doctoral degree in audiology or a related hearing science shall be completed at a college or university that has a program accredited by a national accrediting organization that is approved by the department and recognized by the United States Secretary of Education under the Higher Education Act of 1965 (20 U.S.C. §1001 et seq.).~~]

(c) An applicant whose transcript is in a language other than English or whose degree was earned at a foreign university must submit an evaluation form from an ASHA-approved transcript evaluation service. The transcript evaluation service must determine that the applicant's degree is a doctoral degree in audiology or a related hearing science. The applicant must bear all expenses incurred for the evaluation.

(d) If the degree earned at a foreign university is a master's degree in audiology conferred on or before December 31, 2007, the transcript evaluation service must also determine that the applicant's degree is the equivalent of a degree obtained from a program accredited by a national accrediting organization approved by the commission or department and recognized by the United States secretary of education under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.).

(e) [~~(d)~~] An applicant who graduated from a college or university program not accredited by a national accrediting organization that is approved by the department and recognized by the United States Secretary of Education under the Higher Education Act of 1965 (20 U.S.C. §1001 et seq.) must have the ASHA Council for Clinical Certification evaluate the course work to determine whether the applicant qualified for the Certificate of Clinical Competence. The applicant must bear all expenses incurred for the verification.

(f) [~~(e)~~] Examination. An applicant must pass the examination referenced under §111.21.

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 Department of Licensing and Regulation
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SUBCHAPTER W. JOINT RULE REGARDING THE SALE OF HEARING INSTRUMENTS

16 TAC §111.220

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 401, 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 401. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), Senate Bill 905, 89th Legislature, Regular Session (2025), and Senate Bill No. 2075, 89th Legislature, Regular Session (2025).

§111.220. Requirements Regarding the Sale of Hearing Instruments.

(a) This subchapter constitutes the rules required by Texas Occupations Code §401.2021 and §402.1021 to be adopted by the commission with the assistance of the Speech-Language Pathologists and Audiologists Advisory Board [~~and the Hearing Instrument Fitters and Dispensers Advisory Board~~]. The requirements of this subchapter shall be repealed or amended only through consultation with the Speech-Language Pathologists and Audiologists Advisory Board[~~, and mutual action by, both advisory boards~~].

(b) - (e) (No change.)

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

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CHAPTER 112. HEARING INSTRUMENT FITTERS AND DISPENSERS

The Texas Department of Licensing and Regulation (Department) proposes amendments to existing rules at 16 Texas Administrative Code (TAC), Chapter 112, Subchapter B, §112.12 and §112.13; Subchapter D, §112.32; Subchapter H, §112.70; and Subchapter O, §112.140; regarding the Hearing Instrument Fitters and Dispensers program. These proposed changes are referred to as the "proposed rules."

EXPLANATION OF AND JUSTIFICATION FOR THE RULES

The rules under 16 TAC, Chapter 112, implement Texas Occupations Code, Chapter 402, Hearing Instrument Fitters and Dispensers.

The proposed rules are necessary to implement Senate Bill (SB) 904 89th Legislature, Regular Session (2025), specifically, Sections 2, 3, and 4, and SB 2075 (2025), specifically, Sections 11 and 12. The proposed rules remove language that would require the six-year terms of three members of the advisory board to expire on February 1 of each odd-numbered year, allowing each advisory board member to serve their full six-year term, regardless of when appointed. The proposed rules also change the advisory board's presiding officer's term from one year to two years.

The proposed rules require applicants seeking their initial renewal of their hearing instrument fitter and dispenser license to complete 20 hours of continuing education; remove the requirement that the Commission adopt rules governing the sale of hearing instruments with the assistance of both the Hearing Instrument Fitters and Dispensers Advisory Board and the Speech-Language Pathologist and Audiologist Advisory Board; remove the exception that allowed the Department to renew a license of a licensee who does not comply with the applicable continuing education requirements if the applicant is within the first 24 months of licensure; and allow hearing instruments to be sold to a minor with a written statement signed by a licensed physician, rather than requiring the statement to be signed by a licensed physician specializing in diseases of the ear.

Advisory Board Recommendations

The proposed rules were presented to and discussed by the Hearing Instrument Fitters and Dispensers Advisory Board at its meeting on March 11, 2026. The Advisory Board did not make any changes to the proposed rules. The Advisory Board voted and recommended that the proposed rules be published in the *Texas Register* for public comment.

SECTION-BY-SECTION SUMMARY

Subchapter B. Hearing Instrument Fitters and Dispensers Advisory Board

The proposed rules amend §112.12, Terms; Vacancies. The proposed rules under subsection (a) remove language that would require the six-year terms of three members of the advisory board to expire on February 1 of each odd-numbered year, allowing each advisory board member to serve their full six-year term, regardless of when appointed.

The proposed rules amend §112.13, Officers. The proposed rules under subsection (a) change the advisory board's presiding officer's term from one year to two years.

Subchapter D. Hearing Instrument Fitter and Dispenser License

The proposed rules amend §112.32, Hearing Instrument Fitter and Dispenser License--License Term; Renewals. The proposed rules under subsection (c) now require applicants seeking their initial renewal of their hearing instrument fitter and dispenser license to complete 20 hours of continuing education.

Subchapter H. Continuing Education Requirements

The proposed rules amend §112.70. Continuing Education--Hours, Courses, and Methods of Delivery. The proposed rules under subsection (i) remove the exception that allowed the Department to renew a license of a licensee who does not comply with the applicable continuing education requirements if the applicant is within the first 24 months of licensure.

Subchapter O. Joint Rule Regarding the Sale of Hearing Instruments.

The proposed rules amend §112.140, Requirements Regarding the Sale of Hearing Instruments. The proposed rules under subsection (a) remove the requirement that the TDLR Commission adopt rules governing hearing instruments with the assistance of both the Hearing Instrument Fitters and Dispensers Advisory Board and the Speech-Language Pathologist and Audiologist Advisory Board.

The proposed rules add new subsection (f). The proposed rule allows hearing instruments to be sold to a minor with a written statement signed by a licensed physician, rather than requiring the statement to be signed by a licensed physician specializing in diseases of the ear.

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.

Mr. Couvillon 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 will receive a benefit. Specifically, the proposed changes would result in increased access to hearing instruments for minors because they are no longer required to see a physician who specializes in ear diseases. The proposed changes also improve government efficiency by eliminating the need for the speech-language pathology advisory board and hearing-instrument fitters and dispensers advisory board to consult one another before making decisions regarding the sale of hearing instruments. Finally, required continuing education for new licensees would result in them being better educated after completing their first license term, strengthening overall professional standards and competence.

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 additional costs to persons who are required to comply with the proposed rules. The proposed rules require first-time licensees to complete continuing education, which is now required by statute. While there is a new potential cost of $129 for licensees completing their first license term who choose continuing education through the unlimited access providers, several approved options are available at no cost. The $129 amount reflects the average cost among 15 TDLR-registered continuing education providers offering online, live, virtual, or recorded courses.

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 implement legislation under §2001.0045(c)(9). 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 create a new regulation.

The proposed rules add a new regulation by allowing hearing instruments to be sold to a minor with a written statement from a licensed physician.

6. The proposed rules expand, limit, or repeal an existing regulation.

The proposed rules expand an existing regulation by requiring new permit holders to complete continuing education after their first license term in order to renew the license.

7. The proposed rules increase or decrease the number of individuals subject to the rules' applicability.

The proposed rules limit an existing regulation by removing the requirement that all rulemakings for this chapter be reviewed by the Speech-Language Pathology and Audiology Advisory Board.

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/HEAR_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*.

SUBCHAPTER B. HEARING INSTRUMENT FITTERS AND DISPENSERS ADVISORY BOARD

16 TAC §112.12, §112.13

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 402, 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 402. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), and Senate Bill 2075, (2025).

§112.12. Terms; Vacancies.

(a) Members of the advisory board serve staggered six-year terms. [~~The terms of three members expire on February 1 of each odd-numbered year.~~]

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

§112.13. Officers.

(a) The presiding officer of the commission shall designate a member of the advisory board to serve as the presiding officer of the advisory board for a term of two years [~~one year~~]. The presiding officer of the advisory board may vote on any matter before the advisory board.

(b) (No change.)

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 April 24, 2026.

TRD-202601784
Deanne Rienstra
General Counsel
Texas Department of Licensing and Regulation
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 475-4879

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SUBCHAPTER D. HEARING INSTRUMENT FITTER AND DISPENSER LICENSE

16 TAC §112.32

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 402, 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 402. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), and Senate Bill 2075, (2025).

§112.32. Hearing Instrument Fitter and Dispenser License--License Term; Renewals.

(a) - (b) (No change.)

(c) To renew a hearing instrument fitter and dispenser license, a license holder must:

(1) (No change.)

(2) [~~except for the first renewal,~~] complete 20 [~~twenty (20)~~] hours of continuing education as required under §112.70;

(3) - (5) (No change.)

(d) - (j) (No change.)

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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SUBCHAPTER H. CONTINUING EDUCATION REQUIREMENTS

16 TAC §112.70

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 402, 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 402. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), and Senate Bill 2075, (2025).

§112.70. Continuing Education--Hours, Courses, and Methods of Delivery.

(a) - (h) (No change.)

(i) Pursuant to Texas Occupations Code §402.305, the department may renew the license of a license holder who has not complied with the continuing education requirements if the license holder submits proof from an attending physician that the license holder suffered a serious disabling illness or physical disability that prevented compliance with the continuing education requirements during the 24 months before the end of the license term. [~~:~~]

[~~(1) submits proof from an attending physician that the license holder suffered a serious disabling illness or physical disability that prevented compliance with the continuing education requirements during the 24 months before the end of the license term; or~~]

[~~(2) was licensed for the first time during the 24 months before the end of the license term.~~]

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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SUBCHAPTER O. JOINT RULE REGARDING THE SALE OF HEARING INSTRUMENTS

16 TAC §112.140

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 402, 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 402. No other statutes, articles, or codes are affected by the proposed rules.

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is Senate Bill 904, 89th Legislature, Regular Session (2025), and Senate Bill 2075, (2025).

§112.140. Requirements Regarding the Sale of Hearing Instruments.

(a) This subchapter constitutes the rules required by Texas Occupations Code §401.2021 and §402.1021 to be adopted by the commission with the assistance of [~~the Speech-Language Pathology and Audiology Advisory Board and~~] the Hearing Instrument Fitters and Dispensers Advisory Board. The requirements of this subchapter shall be repealed or amended only through consultation with the Hearing Instrument Fitters and Dispensers Advisory Board [~~, and mutual action by, both advisory boards~~].

(b) - (e) (No change.)

(f) A licensed hearing instrument fitter and dispenser may not sell a hearing instrument to a person under 18 years of age unless the prospective user or a parent or guardian of the prospective user has presented to the hearing instrument fitter and dispenser a written statement, signed by a licensed physician, that states that the patient's hearing loss has been medically evaluated and that the patient may be considered a candidate for a hearing instrument. Whenever practicable, the medical evaluation described should be performed by a licensed physician who specializes in diseases of the ear.

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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TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 89. ADAPTATIONS FOR SPECIAL POPULATIONS

SUBCHAPTER AA. COMMISSIONER'S RULES CONCERNING SPECIAL EDUCATION SERVICES

DIVISION 2. CLARIFICATION OF PROVISIONS IN FEDERAL REGULATIONS

19 TAC §89.1053

The Texas Education Agency (TEA) proposes an amendment to §89.1053, concerning procedures for use of restraint and time-out. The proposed amendment would revise, expand, and align existing definitions; clarify procedural requirements; and establish a crisis prevention and intervention training requirement for school systems consistent with Senate Bill (SB) 133, 88th Texas Legislature, Regular Session, 2023, and House Bill (HB) 2 and SB 568, 89th Texas Legislature, Regular Session, 2025.

BACKGROUND INFORMATION AND JUSTIFICATION: Section 89.1053 establishes the procedures governing the use of restraint and time-out for students receiving special education and related services. The proposed amendment to the section title would align the rule with state statute.

The proposed amendment to subsection (a) would add a requirement for crisis prevention and intervention training to align with HB 2 and SB 568 and would further clarify practices that constitute prohibited forms of confinement.

The proposed amendment to subsection (b) would add definitions for the terms crisis, crisis prevention and intervention training, imminent, law enforcement duties, seclusion, and taser and expand the existing definitions for emergency and restraint to promote clarity and consistency in implementation in alignment with SB 133, HB 2, and SB 568.

Proposed new subsection (d)(5) would clarify training requirements to emphasize instruction on disability-related behaviors and evidence-based, individualized positive behavioral interventions in alignment with SB 133, HB 2, and SB 568.

The proposed amendment to subsection (e) would clarify documentation and notification requirements for each use of restraint, including establishing a uniform timeline for placement of written documentation in a student's special education eligibility folder to support admission, review, and dismissal (ARD) committee review.

The proposed amendment to subsection (f) would align with HB 2 and SB 568 by reaffirming that restraint may not be used as a disciplinary or behavior management technique or as a method to gain student compliance.

The proposed amendment to subsection (g) would clarify that the ARD committee is responsible for reviewing, at least annually, the use, amount, and effectiveness of time-out as a behavioral intervention and for considering any necessary revisions to the student's individualized education plan, behavioral intervention plan, or positive behavior supports to align with HB 2 and SB 568.

The proposed amendment to subsection (i) would clarify documentation requirements for time-out to ensure consistent data collection that enables ARD committees and TEA to monitor use, evaluate effectiveness, and verify compliance with individualized planning requirements.

New subsection (j) would add requirements and criteria for crisis prevention and intervention training to align with HB 2 and SB 568.

FISCAL IMPACT: Jennifer Alexander, associate commissioner for special populations and student supports, 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 expand an existing regulation by updating and aligning definitions, clarifying procedural requirements, and establishing a crisis prevention and intervention training mandate for school systems in accordance with SB 133, HB 2, and SB 568.

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 create a new regulation; would not 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. Alexander 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 clarify and standardize requirements for the use of confinement, restraint, seclusion, and time-out for students with disabilities who receive special education and related services. It would reinforce the use of crisis prevention and de-escalation practices and add training requirements, strengthen student protections, and enhance compliance with state and federal law. In addition, the amendment would provide clear guidance for school personnel regarding permissible and prohibited interventions and promote consistent implementation and documentation across school systems.

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 May 8, 2026, and ends June 8, 2026. Public hearings will be conducted to solicit testimony and input on the proposed amendment at 9:30 a.m. on May 28 and May 29, 2026. The public may participate in either hearing virtually by linking to the hearing at https://us02web.zoom.us/j/83304675292. Anyone wishing to testify must be present at 9:30 a.m. and indicate to TEA staff their intent to comment and are encouraged to also send written testimony to sped@tea.texas.gov. Each hearing will conclude once all who have signed in have been given the opportunity to comment. Questions about the hearing should be directed to Derek Hollingsworth, Special Populations Policy and Compliance, Derek.Hollingsworth@tea.texas.gov.

STATUTORY AUTHORITY. The amendment is proposed under Texas Education Code (TEC), §29.001, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes criteria for the implementation of special education law; TEC, §29.026, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes rulemaking authority for the commissioner of education as necessary to implement TEC, Chapter 29, Subchapter A; TEC, §37.0021, as amended by SB 133, 88th Texas Legislature, Regular Session, 2023, and HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes rulemaking authority for the adoption of procedures governing the use of restraint and time-out for a student with a disability; and TEC, §37.0023, which prohibits aversive techniques that are intended to reduce the likelihood of a behavior recurring and requires the commissioner to adopt procedures under this section.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §29.001, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §29.026, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §37.0021, as amended by SB 133, 88th Texas Legislature, Regular Session, 2023, and HB 2, 89th Texas Legislature, Regular Session, 2025; and §37.0023.

§89.1053. Procedures for the Use of Confinement, Restraint, Seclusion, and Time-Out.

(a) Requirement to implement. In addition to the requirements of 34 Code of Federal Regulations (CFR), §300.324(a)(2)(i), school districts and charter schools must implement the provisions of this section regarding [~~the use of~~] restraint, [~~and~~] time-out, and crisis prevention and intervention training. In accordance with the provisions of Texas Education Code (TEC), §37.0021 (Use of Confinement, Restraint, Seclusion, and Time-Out), it is the policy of the state to treat with dignity and respect all students, including students with disabilities who receive special education services under TEC, Chapter 29, Subchapter A. In accordance with this policy, students may not be confined in a locked box, locked closet, or other specially designed locked space as either a discipline management practice or a behavior management technique.

(b) Definitions.

(1) "Crisis" means a situation in which a student is experiencing a state of dysregulation that overwhelms the student's baseline coping mechanisms and:

(A) may cause impaired logical thinking, potential risk of serious physical harm to self or others, functional impairment, or involuntary physiological responses; and

(B) is best addressed by crisis prevention and intervention to return the student's behavior to a regulated state and avoid an emergency as defined in this section.

(2) "Crisis prevention and intervention training" means evidence-based strategies, including proactive ongoing use of best practices, that are designed to equip individuals to recognize, respond to, and de-escalate crises and emergencies through individualized, developmentally and neurologically responsive supports and to use, only when necessary and appropriate, safely applied physical interventions.

(3) [~~(1)~~] "Emergency" [~~Emergency~~] means a situation in which a student's behavior poses a threat of:

(A) imminent, serious physical harm to the student or others; or

(B) imminent, serious property destruction.

(4) "Imminent" means likely to occur immediately or without delay, leaving no reasonable opportunity to prevent serious physical harm through less restrictive interventions. Imminent does not include situations where there is time to safely use de-escalation, redirection, or other less restrictive interventions.

(5) "Law enforcement duties" means activities of a peace officer relating to the investigation and enforcement of state criminal laws and other duties authorized by the Code of Criminal Procedure, subject to any limitations as determined by the board of trustees of a school district under TEC §37.081(d).

(6) [~~(2)~~] "Restraint" [~~Restraint~~] means the use of physical force or a mechanical device to significantly restrict the free movement of all or a portion of the student's body.

(A) "Physical restraint" means a personal restriction that immobilizes or reduces the ability of a student to move his or her torso, arms, legs, or head freely.

(B) "Mechanical restraint" refers to the use of any device or equipment to restrict a student's freedom of movement. The term does not include devices implemented by trained school personnel or utilized by a student that have been prescribed by an appropriate medical or related services provider.

(7) "Seclusion" means a behavior management technique in which a student is confined in a locked box, locked closet, or locked room that:

(A) is designed solely to seclude a person; and

(B) contains less than 50 square feet of space.

(8) "Taser" means a device manufactured, sold, or distributed by Axon Enterprises (formally known as Taser International, Incorporated) that is intended, designed, made, or adapted to incapacitate a person by inflicting an electrical charge through the emission

of a projectile or conductive stream. The term, for purposes of this section, includes a similar device manufactured, sold, or distributed by another person.

(9) [~~(3)~~] "Time-out" [~~Time-out~~] means a behavior management technique in which, to provide a student with an opportunity to regain self-control, the student is separated from other students for a limited period in a setting:

(A) that is not locked; and

(B) from which the exit is not physically blocked by furniture, a closed door held shut from the outside, or another inanimate object.

(c) Use of restraint. A school employee, volunteer, or independent contractor may use restraint only in an emergency as defined in subsection (b) of this section and with the following limitations.

(1) Restraint must be limited to the use of such reasonable force as is necessary to address the emergency.

(2) Restraint must be discontinued at the point at which the emergency no longer exists.

(3) Restraint must be implemented in such a way as to protect the health and safety of the student and others.

(4) Restraint must not deprive the student of basic human necessities.

(d) Training on use of restraint. Training for school employees, volunteers, or independent contractors must be provided according to the following requirements.

(1) A core team of personnel on each campus must be trained in the use of restraint, and the team must include a campus administrator or designee and any general or special education personnel whose job duties may place them at high risk of utilizing [~~likely to use~~] restraint.

(2) Personnel called upon to use restraint in an emergency and who have not received prior training must receive training within 30 school days following the use of restraint.

(3) Training on use of restraint must include prevention and de-escalation techniques and provide alternatives to the use of restraint.

(4) All trained personnel must receive instruction in current professionally accepted practices and standards regarding behavior management and the use of restraint.

(5) Training on the use of restraint must include instruction on disability-related behaviors, including behaviors associated with neurological, developmental, or emotional disabilities, and evidence-based strategies to prevent, reduce, or respond to such behaviors. This training must emphasize individualized and developmentally appropriate approaches and the use of positive behavioral interventions and supports as alternatives to physical intervention and restraint.

(e) Documentation and notification on use of restraint. In a case in which restraint is used, school employees, volunteers, or independent contractors must implement the following documentation requirements.

(1) On the day restraint is utilized, the campus administrator or designee must be notified verbally or in writing regarding the use of restraint.

(2) On the day restraint is utilized, a good faith effort must be made to verbally notify the parent(s) or person standing in a parental relation to the student regarding the use of restraint.

(3) Written notification of the use of restraint must be placed in the mail or otherwise provided to the parent(s) or person standing in parental relation to the student [~~parent~~] within one school day of the use of restraint. In the case of residential placements, written notification must be provided to the parent(s) or person standing in parental relation to the student within 24 hours of the restraint, regardless of whether the day is a school day, weekend, or holiday.

(4) Written documentation regarding the use of restraint must be placed in the student's special education eligibility folder no later than the third school day after the restraint [~~in a timely manner~~] so the information is available to the admission, review, and dismissal (ARD) committee when it considers the impact of the student's behavior on the student's learning and/or the creation or revision of a behavior improvement plan or a behavioral intervention plan.

(5) Written notification must be provided to the student's parent(s) or person standing in parental relation to the student for each use of restraint, and documentation of each restraint must be placed in the student's special education eligibility folder. For purposes of this subsection, "each restraint" refers to each time the student is restrained by either physical force or mechanical device and released, regardless of the length of time of the restraint or the time between the release and the restart of the restraint. Multiple restraints may not be combined into a single restraint notification form, reported to the campus administrator or the parent(s) or person standing in parental relation to the student as a single restraint, or reported to the Texas Education Agency (TEA) as a single restraint. The written notification of each restraint must include the following:

(A) name of the student;

(B) name of the individual administering the restraint;

(C) date of the restraint and the time the restraint began and ended;

(D) location of the restraint;

(E) nature of the restraint;

(F) a description of the activity in which the student was engaged immediately preceding the use of restraint;

(G) the behavior of the student that prompted the restraint;

(H) the efforts made to de-escalate the situation and any alternatives to restraint that were attempted;

(I) observation of the student at the end of the restraint;

(J) contact information for the parent(s) or person standing in parental relation to the student to whom the school district sent the required [~~documenting parent contact and~~] notification of restraint; and

(K) one of the following:

(i) if the student has a behavior improvement plan or behavioral intervention plan, whether the behavior improvement plan or behavioral intervention plan may need to be revised as a result of the behavior that led to the restraint and, if so, identification of the staff member responsible for scheduling an ARD committee meeting to discuss any potential revisions; or

(ii) if the student does not have a behavior improvement plan or a behavioral intervention plan, information on the procedure for the student's parent or person standing in parental relation to the student to request an ARD committee meeting to discuss the possibility of conducting a functional behavioral assessment of the student and developing a plan for the student.

(f) Clarification regarding restraint. Restraint may not be used as a disciplinary or behavior management technique or as a method to gain student compliance. The provisions adopted under this section do not apply to the use of physical force or a mechanical device that does not significantly restrict the free movement of all or a portion of the student's body. Restraint that involves significant restriction as referenced in subsection (b)(6) [~~(b)(2)~~] of this section does not include:

(1) physical contact or appropriately prescribed adaptive equipment to promote normative body positioning and/or physical functioning;

(2) limited physical contact with a student to promote safety (e.g., holding a student's hand), prevent a potentially harmful action (e.g., running into the street), teach a skill, redirect attention, provide guidance to a location, or provide comfort;

(3) limited physical contact or appropriately prescribed adaptive equipment to prevent a student from engaging in ongoing, repetitive self-injurious behaviors, with the expectation that instruction will be reflected in the individualized education program (IEP) as required by 34 CFR, §300.324(a)(2)(i), to promote student learning and reduce and/or prevent the need for ongoing intervention; or

(4) seat belts and other safety equipment used to secure students during transportation.

(g) Use of time-out. A school employee, volunteer, or independent contractor may use time-out in accordance with subsection (b)(9) [~~(b)(3)~~] of this section with the following limitations.

(1) Physical force or threat of physical force must not be used to place, maintain, or keep a student in time-out.

(2) Time-out may only be used in conjunction with an array of positive behavior intervention strategies and techniques and must be included in the student's IEP and/or behavior improvement plan or behavioral intervention plan if it is utilized on a recurrent basis to increase or decrease a targeted behavior. The student's ARD committee must review, at least annually, the use, amount, and effectiveness of time-out as a behavioral intervention and consider whether revisions to the student's IEP, behavioral intervention plan, or positive behavior supports are necessary to reduce or eliminate the need for time-out.

(3) Use of time-out must not be implemented in a fashion that precludes the ability of the student to be involved in and progress in the general curriculum and advance appropriately toward attaining the annual goals specified in the student's IEP.

(h) Training on use of time-out. Training for school employees, volunteers, or independent contractors must be provided according to the following requirements.

(1) General or special education personnel who implement time-out based on requirements established in a student's IEP and/or behavior improvement plan or behavioral intervention plan must be trained in the use of time-out.

(2) Newly-identified personnel called upon to implement time-out based on requirements established in a student's IEP and/or behavior improvement plan or behavioral intervention plan must receive training in the use of time-out within 30 school days of being assigned the responsibility for implementing time-out.

(3) Training on the use of time-out must be provided as part of a program which addresses a full continuum of positive behavioral intervention strategies and must address the impact of time-out on the ability of the student to be involved in and progress in the general curriculum and advance appropriately toward attaining the annual goals specified in the student's IEP.

(4) All trained personnel must receive instruction in current professionally accepted practices and standards regarding behavior management and the use of time-out.

(i) Documentation on use of time-out. Necessary documentation or data collection regarding the use of time-out, if any, must be addressed in the IEP and/or behavior improvement plan or behavioral intervention plan. If a student has a behavior improvement plan or behavioral intervention plan, the school district must document each use of time-out prompted by a behavior of the student specified in the student's behavior improvement plan or behavioral intervention plan, including a description of the behavior that prompted the time-out. Documentation of each use of time-out must include:

(1) a description of the behavior specified in the student's behavior improvement plan or behavioral intervention plan that prompted the use of time out; and

(2) any data collected regarding the use of time out, as addressed in the student's IEP, behavior improvement plan, or behavioral intervention plan. The ARD committee must use any collected data to evaluate [~~judge~~] the effectiveness of the intervention and provide a basis for making determinations regarding its continued use.

(j) Crisis prevention and intervention training. Training for school employees, volunteers, or independent contractors must be provided in accordance with the following requirements.

(1) School districts must create, document, and use risk criteria based on job role, campus assignments, or incident history to determine which personnel, including support staff and law enforcement, require training and the extent of training needed.

(2) Personnel who are designated as high risk must receive training that includes non-violent crisis intervention techniques, verbal de-escalation strategies, and safe physical intervention procedures.

(3) School districts shall require training using standards from the State Board for Educator Certification's continuing education clearinghouse in accordance with TEC, §21.4514.

(4) Minimum recommended training intervals include:

(A) annually for personnel determined to have a high risk of crisis involvement; and

(B) every two years for other campus-based personnel.

(5) Crisis prevention and intervention training may be combined with, or substituted by, other required training when 51% or more of the training content addresses the requirements of this subsection, including:

(A) trauma-informed care training in accordance with TEC, §38.036; and

(B) conflict resolution and positive student relationships training in accordance with TEC, §21.451(d)(3).

(k) [~~(j)~~] Student safety. Any behavior management technique and/or discipline management practice must be implemented in such a way as to protect the health, [~~and~~] safety, and dignity of the student and others. No discipline management practice may be calculated to inflict injury, cause harm, demean, or deprive the student of basic human necessities.

(l) [~~(k)~~] Data reporting. With the exception of actions covered by subsection (f) of this section, data regarding the use of restraint must be electronically reported to TEA [~~the Texas Education Agency (TEA)~~] in accordance with reporting standards specified by TEA.

(m) [~~(l)~~] Restrictions on peace officers and security personnel. In accordance with TEC, §37.0021(j), a peace officer performing law enforcement duties or school security personnel performing security-related duties on school property or at a school-sponsored or school-related activity must not restrain or use a chemical irritant spray or Taser on a student enrolled in Grade 5 or below, unless the student poses a serious risk of harm to the student or another person.

(n) [~~(m)~~] Provisions applicable to peace officers. The provisions adopted under this section apply to a peace officer only if the peace officer is employed or commissioned by the school district or provides, as a school resource officer, a regular police presence on a school district campus under a memorandum of understanding between the school district and a local law enforcement agency, except that the data reporting requirements in subsection (l) [~~(k)~~] of this section apply to the use of restraint by any peace officer performing law enforcement duties on school property or during a school-sponsored or school-related activity.

(o) [~~(n)~~] The provisions adopted under this section do not apply to:

(1) juvenile probation, criminal detention, or corrections personnel; or

(2) an educational services provider with whom a student is placed by a judicial authority, unless the services are provided in an educational program of a school district.

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 April 27, 2026.

TRD-202601797
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 475-1497

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TITLE 28. INSURANCE

PART 1. TEXAS DEPARTMENT OF INSURANCE

CHAPTER 3. LIFE, ACCIDENT, AND HEALTH INSURANCE AND ANNUITIES

The Texas Department of Insurance (TDI) proposes to amend 28 TAC §§3.205, 3.3403, 3.3703, 3.9208, and 3.9210, concerning certain participating policy forms, health coverage of newborn children, and preferred and exclusive provider benefit plans. The amendments implement House Bill 4611, 88th Legislature, 2023; House Bills 388, 1620, and 2221, 89th Legislature, 2025; and Senate Bills 493, 896, and 1236, 89th Legislature, 2025.

EXPLANATION.

Amendments to §§3.205, 3.3403, 3.3703, 3.9208, and 3.9210 are necessary to implement the following legislation.

- HB 388 requires health benefit plans to use a uniform coordination of benefits questionnaire that is adopted by TDI.

- HB 1620 revises Government Code references throughout the Insurance Code to reflect statutory amendments relating to Medicaid enacted in HB 4611, which made nonsubstantive revisions to various health and human services laws.

- HB 2221 moves requirements concerning unlawful rebates and inducements to new Insurance Code Chapter 1702.

- SB 493 prohibits certain pharmacy benefit manager contract provisions.

- SB 896 extends the enrollment period for newborn children from 31 days to 60 days.

- SB 1236 expands requirements for pharmacy benefit network contracts.

In separate proposals also published in this issue of the *Texas Register*, TDI proposes amendments to 28 TAC Chapters 11 and 26 to implement the previously referenced legislation. In a separate proposal published October 24, 2025 (50 TexReg 6976), TDI proposed a uniform coordination of benefits questionnaire in 28 TAC Chapter 3, Subchapter V, to implement HB 388. At a later date, TDI also plans to propose amendments to 28 TAC Chapter 21 to implement provisions in HB 2221 and SB 1236.

Descriptions of the sections' proposed amendments follow.

Section 3.205.

A proposed amendment to §3.205 replaces the reference to Insurance Code §541.056(c), which was repealed by HB 2221, with new Insurance Code §1702.102(c), which was added by HB 2221.

Section 3.3403.

The proposed amendments to §3.3403 implement SB 896. Subsections (a), (b), and (d) are amended by striking general references to "a period of time" for newborn coverage and replacing them with the concrete time period of "before the 61st day after the child's birth." Subsection (e) is amended by replacing references to a 31-day initial coverage period with a 60-day initial coverage period.

Subsections (f) - (h), addressing the original implementation period of Insurance Code §1367.003, are deleted because they are no longer relevant. Subsection (i) is redesignated as subsection (f), and a title is added to the statutory reference in the subsection to conform to agency style.

Section 3.3703.

The proposed amendments to §3.3703 implement HB 388, HB 493, and SB 1236. Subsection (a)(21) is amended by adding a reference to Insurance Code §1203.153. Consistent with SB 1236, new subsection (a)(31) requires a contract between an insurer and a pharmacy or pharmacist to comply with Insurance Code Chapter 1369. New subsection (a)(32) prohibits certain contract provisions in a contract between an insurer and a pharmacy or pharmacist, consistent with Insurance Code §4151.155 as added by SB 493. Although §4151.155 affects contracts involving a pharmacy benefit manager, subsection (a)(32) applies to contracts involving an insurer to ensure requirements for insurers and their pharmacy benefit managers are consistent. New subsection (a)(33) is added to cross-reference 28 TAC §7.1613, which addresses requirements for a contract between an issuer and a third-party administrator (TPA), including a requirement for a TPA to be contractually obligated to comply with all statutory and regulatory requirements related to a function carried out by the TPA. This makes clear that the requirements of §3.3703 apply to health plan contracts with physicians or providers, whether the plan contracts directly or relies on a TPA such as a pharmacy benefit manager to contract.

Section 3.9208.

The proposed amendment to §3.9208 replaces the reference to Government Code Chapter 533 with Government Code Chapter 540, as repealed and replaced by HB 4611, and consistent with HB 1620.

Section 3.9210. The proposed amendment to §3.9210(a) replaces the reference to Government Code Chapter 533 with Government Code Chapter 540, as repealed and replaced by HB 4611 and consistent with HB 1620.

In addition, proposed amendments include nonsubstantive editorial and formatting changes to conform the sections to TDI's current drafting style and plain language preferences, and to improve the rule's clarity. These changes appear throughout the amended sections and include adding titles to cited statutes; nonsubstantive text edits, including the addition of necessary words such as "to" and replacing the word "which" with "that"; and other grammatical, punctuational, and format changes.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.

Rachel Bowden, director of the Regulatory Initiatives Office in the Life and Health Division, has determined that during each year of the first five years the proposed amendments are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the proposed amendments, other than that imposed by statute. Ms. Bowden made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed amendments.

Ms. Bowden does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE.

For each year of the first five years the proposed amendments are in effect, Ms. Bowden expects that administering and enforcing the proposed amendments will have the public benefit of ensuring that TDI's rules conform to House Bills 388, 1620, 2221, and 4611, and Senate Bills 493, 896, and 1236.

Ms. Bowden expects that the proposed amendments will not increase the cost of compliance. Any costs for those required to comply with the proposed amendments are attributable to House Bills 388, 1620, 2221, and 4611; and Senate Bills 493, 896, and 1236 because the proposed amendments do not impose requirements beyond those in statute.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.

TDI has determined that the proposed amendments will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does not impose a possible cost on regulated persons. Even if it did, no additional rule amendments would be required under Government Code §2001.0045 because the proposed amendments are necessary to implement legislation. The proposed rule implements: HB 388, HB 1620, HB 2221, HB 4611, SB 493, SB 896, and SB 1236.

GOVERNMENT GROWTH IMPACT STATEMENT.

TDI has determined that for each year of the first five years that the proposed amendments are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will not create a new regulation;

- will expand, limit, or repeal an existing regulation;

- will not increase or decrease the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT.

TDI 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. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT.

TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on June 8, 2026. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2864. This proposal will be part of a rule hearing docket that will begin at 10:00 a.m., central time, on June 1, 2026. TDI will hold the public hearing both remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.034. Visit www.tdi.texas.gov/alert/event/index.html for more info on the proposed rule, hearing, and comment submission.

SUBCHAPTER C. APPROVAL, DISAPPROVAL, AND WITHDRAWAL OF APPROVAL OF CERTAIN PARTICIPATING POLICY FORMS

28 TAC §3.205

STATUTORY AUTHORITY. TDI proposes amendments to §3.205 under Insurance Code §1702.006 and §36.001.

Insurance Code §1702.006 authorizes the commissioner to adopt reasonable rules necessary to implement Insurance Code Chapter 1702.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

Section 3.205 implements Insurance Code §1702.102.

§3.205. Construction of Rules.

This subchapter may not be construed to prohibit the use of any provision authorized by Insurance Code §1702.102(c), concerning Prohibited Rebates and Inducements, [~~§541.056(c)~~] or other applicable statute.

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 April 27, 2026.

TRD-202601807
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 676-6555

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SUBCHAPTER U. NEWBORN CHILDREN COVERAGE

28 TAC §3.3403

STATUTORY AUTHORITY. TDI proposes amendments to §3.3403 under Insurance Code §1367.002 and §36.001.

Insurance Code §1367.002 states that certain provisions of Insurance Code Chapter 1201, including provisions relating to rulemaking under Insurance Code Chapter 1201, apply to Insurance Code Chapter 1367, Subchapter A.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

Section 3.3403 implements Insurance Code §1367.003.

§3.3403. General Rules of Application.

(a) No individual policy or group policy of accident and sickness insurance that [~~which~~] provides for accident and sickness coverage of additional newborn children may be issued in this state if it contains any provisions excluding or limiting initial coverage of a newborn infant before the 61st day after the date of the child's birth, [~~for a period of time,~~] or limitations or exclusions for congenital defects of a newborn child.

(b) No individual policy or group policy of accident and sickness insurance that [~~which~~] provides for maternity benefits may be issued in this state if it contains any provisions excluding or limiting initial coverage of a newborn infant before the 61st day after the date of the child's birth, [~~for a period of time,~~] or limitations or exclusions for congenital defects of a newborn child.

(c) If the policy provides accident and sickness coverage for newborn children, the [~~such~~] coverage must be at least as comprehensive as the coverage provided under the policy for other children for loss as a result of an accident or sickness.

(d) If the policy provides maternity benefits, and included in those [~~such~~] benefits are coverages for newborn infants, the [~~such~~] policy may not contain any provision excluding or limiting initial coverage of newborn infants before the 61st day after the date of the child's birth, [~~for a period of time,~~] or limit or exclude coverage for congenital defects of a newborn child.

(e) The initial coverage provided to newborn children must continue for a period of at least 60 [~~31~~] days. The insurer may require that before the coverage continues beyond this initial 60 [~~31~~]-day period, the policyholder must notify the insurer of the birth of the newborn child and pay any additional premium required to maintain the coverage in force. Any additional premium required for the initial period of coverage may be charged.

[~~(f) Insurance Code §1367.003 applies to all accident and sickness policies issued or issued for delivery, renewed, extended, or amended in the State of Texas on and after January 1, 1974. The insurer, upon a renewal, extension, or amendment, may charge such additional premiums as are just and reasonable for the additional risk incurred by compliance with Insurance Code §1367.003. With respect to any policy forms approved by the Texas Department of Insurance prior to the effective date of §1367.003, an insurer is authorized to achieve compliance with §1367.003 by the use of endorsements or riders provided such endorsements or riders are approved by the Texas Department of Insurance as being in compliance with Insurance Code §1367.003 and other provisions of the Texas Insurance Code.~~]

[~~(g) Insurance Code §1367.003 applies to policies written before January 1, 1974, if and when such a policy is "renewed, extended or amended" after January 1, 1974. If the provisions of a policy written before January 1, 1974, allow the insurer to renegotiate the terms of the policy after January 1, 1974, or allow the insurer to adjust the premiums charged under the policy after January 1, 1974, and if at the time such renegotiation or adjustment could be accomplished and is accomplished, the policy continues in force or a policy with substantially similar coverage is agreed to by the insured and insurer, then the policy will be said to have been "renewed, extended or amended" for purposes of Insurance Code §1367.003, and the requirements of §1367.003 will attach to the policy.~~]

[~~(h) Insurance Code §1367.003 applies to any policy except a "non-cancellable and guaranteed renewable" policy written before January 1, 1974, if such policy is "renewed, extended or amended" or a rate adjustment could be made after January 1, 1974. If a group policy is written in conjunction with a collective bargaining agreement, such policy will be considered "renewed, extended or amended" upon the expiration of any applicable collective bargaining agreement.~~]

(f) [~~(i)~~] Nothing in this subchapter will be deemed to extend the provisions of Insurance Code §1367.003, concerning Certain Limitations on Coverage for Newborn Children Prohibited, to insurance contracts providing benefits only for specified diseases, pure accident policies, disability only policies, or loss of time only policies.

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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Jessica Barta
General Counsel
Texas Department of Insurance
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For further information, please call: (512) 676-6555

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SUBCHAPTER X. PREFERRED AND EXCLUSIVE PROVIDER PLANS
DIVISION 1. GENERAL REQUIREMENTS

28 TAC §3.3703

STATUTORY AUTHORITY. TDI proposes amendments to §3.3703 under Insurance Code §§1203.152, 1301.007, 4151.006, and 36.001.

Insurance Code §1203.152 requires the commissioner to adopt rules establishing a uniform coordination of benefits questionnaire to be used by all health benefit plan issuers in Texas.

Insurance Code §1301.007 directs the commissioner to adopt rules as necessary to implement Insurance Code Chapter 1301 and to ensure reasonable accessibility and availability of preferred provider services to Texas residents.

Insurance Code §4151.006 authorizes the commissioner to adopt rules that are fair, reasonable, and appropriate to augment and implement Insurance Code Chapter 4151.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

Section 3.3703 implements Insurance Code §1203.153 and §4151.155, and Chapter 1369.

§3.3703. Contracting Requirements.

(a) An insurer marketing a preferred provider benefit plan must contract with physicians and health care providers to ensure that all medical and health care services and items contained in the package of benefits for which coverage is provided, including treatment of illnesses and injuries, will be provided under the plan in a manner that ensures both availability and accessibility of adequate personnel, specialty care, and facilities. Each contract must meet the following requirements. [~~:~~]

(1) A contract between a preferred provider and an insurer may not restrict a physician or health care provider from contracting with other insurers, preferred provider plans, preferred provider networks or organizations, exclusive provider benefit plans, exclusive provider networks or organizations, health care collaboratives, or HMOs.

(2) Any term or condition limiting participation on the basis of quality that is contained in a contract between a preferred provider and an insurer is required to be consistent with established standards of care for the profession.

(3) In the case of physicians or practitioners with hospital or institutional provider privileges who provide a significant portion of care in a hospital or institutional provider setting, a contract between a preferred provider and an insurer may contain terms and conditions that include the possession of practice privileges at preferred hospitals or institutions, except that if no preferred hospital or institution offers privileges to members of a class of physicians or practitioners, then the contract may not provide that the lack of hospital or institutional provider privileges may be a basis for denial of participation as a preferred provider to the [~~such~~] physicians or practitioners of that class.

(4) A contract between an insurer and a hospital or institutional provider must not, as a condition of staff membership or privileges, require a physician or practitioner to enter into a preferred provider contract. This prohibition does not apply to requirements concerning practice conditions other than conditions of membership or privileges.

(5) A contract between a preferred provider and an insurer may provide that the preferred provider will not bill the insured for unnecessary care, if a physician or practitioner panel has determined the care was unnecessary, but the contract may not require the preferred provider to pay hospital, institutional, laboratory, X-ray, or like charges resulting from the provision of services lawfully ordered by a physician or health care provider, even though such service may be determined to be unnecessary.

(6) A contract between a preferred provider and an insurer may not:

(A) contain restrictions on the classes of physicians and practitioners who may refer an insured to another physician or practitioner; or

(B) require a referring physician or practitioner to bear the expenses of a referral for specialty care in or out of the preferred provider panel. Savings from cost-effective utilization of health services by contracting physicians or health care providers may be shared with physicians or health care providers in the aggregate.

(7) A contract between a preferred provider and an insurer may not contain any financial incentives to a physician or a health care provider that [~~which~~] act directly or indirectly as an inducement to limit medically necessary services. This subsection does not prohibit the savings from cost-effective utilization of health services by contracting physicians or health care providers from being shared with physicians or health care providers in the aggregate.

(8) An insurer's contract with a physician, physician group, or practitioner must have a mechanism for the resolution of complaints initiated by an insured, a physician, physician group, or practitioner. The mechanism must provide for reasonable due process, including, in an advisory role only, a review panel selected as specified in §3.3706(b)(2) of this title (relating to Designation as a Preferred Provider, Decision to Withhold Designation, Termination of a Preferred Provider, Review of Process).

(9) A contract between a preferred provider and an insurer may not require any health care provider, physician, or physician group to execute hold harmless clauses that shift an insurer's tort liability resulting from acts or omissions of the insurer to the preferred provider.

(10) A contract between a preferred provider and an insurer must require a preferred provider that [~~who~~] is compensated by the insurer on a discounted fee basis to agree to bill the insured only on the discounted fee and not the full charge.

(11) A contract between a preferred provider and an insurer must require the insurer to comply with all applicable statutes and rules pertaining to prompt payment of clean claims with respect to payment to the provider for covered services rendered to insureds.

(12) A contract between a preferred provider and an insurer must require the provider to comply with the Insurance Code §§1301.152 - 1301.154, which relates to Continuity of Care.

(13) A contract between a preferred provider and an insurer may not prohibit, penalize, permit retaliation against, or terminate the provider for communicating with any individual listed in Insurance Code §1301.067, concerning Interference with Relationship Between Patient and Physician or Health Care Provider Prohibited, about any of the matters set forth in the contract.

(14) A contract between a preferred provider and an insurer conducting, using, or relying on [~~upon~~] economic profiling to terminate physicians or health care providers from a plan must require the insurer to inform the provider of the insurer's obligation to comply with Insurance Code §1301.058, concerning Economic Profiling.

(15) A contract between a preferred provider and an insurer that engages in quality assessment is required to disclose in the contract all requirements of Insurance Code §1301.059(b), concerning Quality Assessment.

(16) A contract between a preferred provider and an insurer may not require a physician to issue an immunization or vaccination protocol for an immunization or vaccination to be administered to an insured by a pharmacist.

(17) A contract between a preferred provider and an insurer may not prohibit a pharmacist from administering immunizations or vaccinations if they are administered in accordance with the Texas Pharmacy Act, Chapters 551 - 566 and Chapters 568 - 569 of the Occupations Code, and implementing rules.

(18) A contract between a preferred provider and an insurer must require a provider that voluntarily terminates the contract to provide reasonable notice to the insured, and must require the insurer to provide assistance to the provider as set forth in Insurance Code §1301.160(b), concerning Notification of Termination of Participation of Preferred Provider.

(19) A contract between a preferred provider and an insurer must require written notice to the provider on termination of the contract by the insurer, and in the case of termination of a contract between an insurer and a physician or practitioner, the notice must include the provider's right to request a review, as specified in §3.3706(d) of this title.

(20) A contract between a preferred provider and an insurer must include provisions that will entitle the preferred provider on [~~upon~~] request to all information necessary to determine that the preferred provider is being compensated in accordance with the contract. A preferred provider may make the request for information by any reasonable and verifiable means. The information must include a level of detail sufficient to enable a reasonable person with sufficient training, experience, and competence in claims processing to determine the payment to be made according to the terms of the contract for covered services that are rendered to insureds. The insurer may provide the required information by any reasonable method through which the preferred provider can access the information, including email, computer disks, paper, or access to an electronic database. Amendments, revisions, or substitutions of any information provided in accordance with this paragraph are required to be made under subparagraph (D) of this paragraph and, when applicable subparagraph (J) of this paragraph. The insurer is required to provide the fee schedules and other required information by the 30th day after the date the insurer receives the preferred provider's request.

(A) This information is required to include a preferred provider specific summary and explanation of all payment and reimbursement methods that will be used to pay claims submitted by the preferred provider. At a minimum, the information is required to include:

(i) a fee schedule, including, if applicable, CPT, HCPCS, ICD-9-CM codes or successor codes, and modifiers:

(I) by which all claims for covered services submitted by or on behalf of the preferred provider will be calculated and paid; or

(II) that pertains to the range of health care services reasonably expected to be delivered under the contract by that preferred provider on a routine basis along with a toll-free number or electronic address through which the preferred provider may request the fee schedules applicable to any covered services that the preferred provider intends to provide to an insured and any other information required by this paragraph that pertains to the service for which the fee schedule is being requested if that information has not previously been provided to the preferred provider;

(ii) all applicable coding methodologies;

(iii) all applicable bundling processes, which are required to be consistent with nationally recognized and generally accepted bundling edits and logic;

(iv) all applicable downcoding policies;

(v) a description of any other applicable policy or procedure the insurer may use that affects the payment of specific claims submitted by or on behalf of the preferred provider, including recoupment;

(vi) any addenda, schedules, exhibits, or policies used by the insurer in carrying out the payment of claims submitted by or on behalf of the preferred provider that are necessary to provide a reasonable understanding of the information provided under this paragraph; and

(vii) the publisher, product name, and version of any software the insurer uses to determine bundling and unbundling of claims.

(B) In the case of a reference to source information as the basis for fee computation that is outside the control of the insurer, such as state Medicaid or federal Medicare fee schedules, the information provided by the insurer is required to clearly identify the source and explain the procedure by which the preferred provider may readily access the source electronically, telephonically, or as otherwise agreed to by the parties.

(C) Nothing in this paragraph may be construed to require an insurer to provide specific information that would violate any applicable copyright law or licensing agreement. However, the insurer is required to supply, in lieu of any information withheld on the basis of copyright law or licensing agreement, a summary of the information that will allow a reasonable person with sufficient training, experience, and competence in claims processing to determine the payment to be made according to the terms of the contract for covered services that are rendered to insureds as required by subparagraph (A) of this paragraph.

(D) No amendment, revision, or substitution of claims payment procedures or any of the information required to be provided by this paragraph will be effective as to the preferred provider, unless the insurer provides at least 90 calendar days' written notice to the preferred provider identifying with specificity the amendment, revision, or substitution. An insurer may not make retroactive changes to claims payment procedures or any of the information required to be provided by this paragraph. Where a contract specifies mutual agreement of the parties as the sole mechanism for requiring amendment, revision, or substitution of the information required by this paragraph, the written notice specified in this section does not supersede the requirement for mutual agreement.

(E) Failure to comply with this paragraph constitutes a violation as set forth in subsection (b) of this section.

(F) This paragraph applies to all contracts entered into or renewed on or after the effective date of this paragraph. Upon receipt of a request, the insurer is required to provide the information required by subparagraphs (A) - (D) of this paragraph to the preferred provider by the 30th day after the date the insurer receives the preferred provider's request.

(G) A preferred provider that receives information under this paragraph:

(i) may not use or disclose the information for any purpose other than:

(I) the preferred provider's practice management;

(II) billing activities;

(III) other business operations; or

(IV) communications with a governmental agency involved in the regulation of health care or insurance;

(ii) may not use this information to knowingly submit a claim for payment that does not accurately represent the level, type, or amount of services that were actually provided to an insured or to misrepresent any aspect of the services; and

(iii) may not rely on [~~upon~~] information provided in accordance with this paragraph about a service as a representation that an insured is covered for that service under the terms of the insured's policy or certificate.

(H) A preferred provider that receives information under this paragraph may terminate the contract on or before the 30th day after the date the preferred provider receives information requested under this paragraph without penalty or discrimination in participation in other health care products or plans. If a preferred provider chooses to terminate the contract, the insurer is required to assist the preferred provider in providing the notice required by paragraph (18) of this subsection.

(I) The provisions of this paragraph may not be waived, voided, or nullified by contract.

(J) No adverse material change to a preferred provider contract will be effective as to the preferred provider unless the adverse material change is made in accordance with Insurance Code §1301.0642, concerning Contract Provisions Allowing Certain Adverse Material Changes Prohibited, to the extent applicable.

(21) An insurer may require a preferred provider to retain in the preferred provider's records updated information concerning a patient's other health benefit plan coverage, consistent with Insurance Code §1203.153, concerning Uniform Coordination of Benefits Questionnaire Required.

(22) Upon request by a preferred provider, an insurer is required to include a provision in the preferred provider's contract providing that the insurer and the insurer's clearinghouse may not refuse to process or pay an electronically submitted clean claim because the claim is submitted together with or in a batch submission with a claim that is deficient. As used in this section, the term "batch submission" is a group of electronic claims submitted for processing at the same time within a HIPAA standard ASC X12N 837 Transaction Set and identified by a batch control number. This paragraph applies to a contract entered into or renewed on or after January 1, 2006.

(23) A contract between an insurer and a preferred provider other than an institutional provider may contain a provision requiring a referring physician or provider, or a designee, to disclose to the insured:

(A) that the physician, provider, or facility to which [~~whom~~] the insured is being referred might not be a preferred provider; and

(B) if applicable, that the referring physician or provider has an ownership interest in the facility [~~to which~~] the insured is being referred to.

(24) A contract provision that requires notice as specified in paragraph (23)(A) of this subsection is required to allow for exceptions for emergency care and as necessary to avoid interruption or delay of medically necessary care and may not limit access to nonpreferred providers.

(25) A contract between an insurer and a preferred provider must require the preferred provider to comply with all applicable requirements of Insurance Code §1661.005, concerning Refund of Overpayment.

(26) A contract between an insurer and a facility must require that the facility give notice to the insurer of the termination of a contract between the facility and a facility-based physician or provider group that is a preferred provider for the insurer as soon as reasonably practicable, but not later than the fifth business day following termination of the contract.

(27) A contract between an insurer and a preferred provider must require, except for instances of emergency care as defined under Insurance Code §1301.0053, concerning Exclusive Provider Benefit Plans: Emergency Care and §1301.155(a), concerning Emergency Care, that a physician or provider referring an insured to a facility for surgery:

(A) notify the insured of the possibility that out-of-network providers may provide treatment and that the insured can contact the insurer for more information;

(B) notify the insurer that surgery has been recommended; and

(C) notify the insurer of the facility that has been recommended for the surgery.

(28) A contract between an insurer and a facility must require, except for instances of emergency care as defined under Insurance Code §1301.0053 and §1301.155(a), that the facility, when scheduling surgery:

(A) notify the insured of the possibility that out-of-network providers may provide treatment and that the insured can contact the insurer for more information; and

(B) notify the insurer that surgery has been scheduled.

(29) A contract between an insurer and a preferred provider must comply with Insurance Code §1458.101, concerning Contract Requirements, to the extent applicable.

(30) A contract between an insurer and a preferred provider that is an optometrist or therapeutic optometrist must comply with Insurance Code Chapter 1451, Subchapter D, concerning Access to Optometrists Used Under Managed Care Plan.

(31) A contract between an insurer and a pharmacy or pharmacist must comply with Insurance Code Chapter 1369, concerning

Benefits Related to Prescription Drugs and Devices and Related Services.

(32) A contract between an insurer and a pharmacy or pharmacist may not include a provision that is prohibited under Insurance Code §4151.155, concerning Certain Disclosures and Communications by Pharmacist of Pharmacy Protected.

(33) A contract between an insurer and a third-party administrator, including a pharmacy benefit manager, must comply with §7.1613 of this title (relating to Written Agreements Between Administrators and Insurers).

(b) In addition to all other contract rights, violations of these rules will be treated for purposes of complaint and action in accordance with Insurance Code Chapter 542, Subchapter A, concerning Unfair Claim Settlement Practices, and the provisions of that subchapter will be employed to the extent practicable, as it relates to the power of the department, hearings, orders, enforcement, and penalties.

(c) An insurer may enter into an agreement with a preferred provider organization, an exclusive provider network, or a health care collaborative for the purpose of offering a network of preferred providers, provided that it remains the insurer's responsibility to:

(1) meet the requirements of Insurance Code Chapter 1301, concerning Preferred Provider Benefit Plans, and this subchapter;

(2) ensure that the requirements of Insurance Code Chapter 1301 and this subchapter are met; and

(3) provide all documentation to demonstrate compliance with all applicable rules on request by the department.

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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Jessica Barta
General Counsel
Texas Department of Insurance
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For further information, please call: (512) 676-6555

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SUBCHAPTER KK. EXCLUSIVE PROVIDER BENEFIT PLAN

28 TAC §3.9208, §3.9210

STATUTORY AUTHORITY. TDI proposes amendments to §3.9208 and §3.9210 under Insurance Code §36.001.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

Sections 3.9208 and 3.9210 implement HB 1620 and HB 4611.

§3.9208. Provider Network: Accessibility and Availability.

An issuer is subject to the same network accessibility and availability requirements as outlined in §11.1607 of this title (relating to Accessibility and Availability Requirements). Issuers must comply with this section; any requirements under a Medicaid contract, subject to Government Code[~~,~~] Chapter 540, concerning Medicaid Managed Care Program [~~533~~]; and any other applicable law.

§3.9210. Complaints System.

(a) Complaints System. Issuers must comply with this section; any requirements under a Medicaid contract, subject to Government Code[~~,~~] Chapter 540, concerning Medicaid Managed Care Program [~~533~~]; and any other applicable law. The complaint system must provide reasonable procedures for the resolution of oral and written complaints initiated by insureds or providers concerning health care services, including a process for the notice and appeal of complaints.

(1) If a complainant notifies the issuer orally or in writing of a complaint, the issuer, not later than the fifth business day after the date of the receipt of the complaint, must [~~shall~~] send to the complainant a letter acknowledging the date of receipt of the complaint that includes a description of the organization's complaint procedures and time frames. If the complaint is received orally, the issuer must [~~shall~~] also enclose a one-page complaint form. The one-page complaint form must prominently and clearly state that the complaint form must be returned to the issuer for prompt resolution of the complaint.

(A) The issuer must [~~shall~~] investigate each oral and written complaint received in accordance with its policies and in compliance with this subchapter.

(B) Investigation and resolution of complaints concerning emergencies or denials of continued stays for hospitalization must [~~shall~~] be concluded in accordance with the medical or dental immediacy of the case and may not exceed one business day from receipt of the complaint.

(C) For all other complaints, the total time for acknowledgment, investigation, and resolution of the complaint by the issuer may not exceed 30 calendar days after the date the issuer receives the written complaint or one-page complaint form from the complainant.

(D) After the issuer has investigated a complaint, the issuer must [~~shall~~] send a response letter to the complainant explaining the issuer's resolution of the complaint within the time frame as set forth in this section. The letter must include a statement of the specific medical and contractual reasons for the resolution and the specialization of any health care provider consulted. The response letter must contain a full description of the process for appeal, including the time frames for the appeal process and the time frames for the final decision on the appeal.

(2) If the complaint is not resolved to the satisfaction of the complainant, the issuer must [~~shall~~] provide an appeals process that includes the right of the complainant to either [~~to~~] appear in person before a complaint appeal panel at a location where the insured normally receives health care services, unless another site is agreed to by the complainant, or to address a written appeal to the complaint appeal panel. The issuer must [~~shall~~] complete the appeals process under this section not later than the 30th calendar day after the date of the receipt of the written request for appeal.

(A) The issuer must [~~shall~~] send an acknowledgment letter to the complainant not later than the fifth business day after the date of receipt of the written request for appeal.

(B) The issuer must [~~shall~~] appoint members to the complaint appeal panel, which must [~~shall~~] advise the issuer on the dispute's resolution [~~of the dispute~~]. The complaint appeal panel must [~~shall~~] be composed of equal numbers of issuer staff, physicians or [~~other~~] providers, and insureds. Each member on the complaint appeal panel must not have been previously involved in the disputed decision. The health care providers must have experience in the area of care that is in dispute and must be independent of any health care provider that

[~~who~~] made any prior determination. If specialty care is in dispute, then the appeal panel must include a person who is a specialist in the field, or related field, of care [~~to which~~] the appeal relates to. Panel members who [~~that~~] are insureds may not be the issuer's employees [~~of the issuer~~].

(C) Not later than the fifth business day before the scheduled meeting of the panel, unless the complainant agrees otherwise, the issuer must [~~shall~~] provide to the complainant or the complainant's designated representative:

(i) any documentation to be presented to the panel by the issuer staff;

(ii) the specialization of any health care providers consulted during the investigation; and

(iii) the name and affiliation of each issuer representative on the panel.

(D) The complainant, or designated representative if the insured is a minor or disabled, is entitled to:

(i) appear in person before the complaint appeal panel;

(ii) present alternative expert testimony; and

(iii) request the presence of and question any person responsible for making the prior determination that resulted in the appeal.

(b) Notice of the final decision of the issuer on the appeal must include a statement of the specific contractual and clinical criteria used to reach the final decision. The notice must also include the toll-free telephone number and the address of the Texas Department of Insurance.

(c) In compliance with Chapter 21, Subchapter Q, of this Title (relating to Complaint Records to be Maintained), the issuer shall maintain a record of each complaint and any complaint proceeding and any actions taken on a complaint for three years from the date of the receipt of the complaint. The record must include complaints relating to limited provider networks. A complainant is entitled to a copy of the record on the applicable complaint and any complaint proceeding.

(1) Each issuer must [~~shall~~] maintain a complaint and appeal log regarding each complaint.

(2) Each issuer must [~~shall~~] maintain documentation on each complaint received and the action taken on each complaint until the third anniversary of the date of receipt of the complaint. The Texas Department of Insurance may review documentation maintained under this subsection, including original documentation, during any investigation of the issuer.

(d) The commissioner may examine the complaint system for compliance with this subchapter and may require the issuer to make necessary corrections.

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

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CHAPTER 5. PROPERTY AND CASUALTY INSURANCE

SUBCHAPTER Q. GENERAL PROPERTY AND CASUALTY RULES

DIVISION 4. APPRAISAL REQUIREMENTS

28 TAC §§5.9800 - 5.9806

The Texas Department of Insurance (TDI) proposes new 28 TAC §§5.9800 - 5.9806, concerning requirements for appraisals, in new Division 4. Sections 5.9800 - 5.9806 implement Senate Bill 458, 89th Legislature, 2025.

EXPLANATION. New §§5.9800 - 5.9806 are necessary to implement SB 458, which added new Insurance Code Chapter 1813, concerning Appraisal of Disputed Losses. SB 458 requires certain insurers writing personal automobile or residential property insurance to include an appraisal provision that complies with Insurance Code Chapter 1813 in an insurance policy delivered, issued for delivery, or renewed in Texas. New Insurance Code §1813.002 directs the commissioner to adopt rules necessary to implement the chapter, including rules that mandate appraisal and establish the period in which appraisal must be completed. The statute also directs the commissioner to consider the qualifications and selection of appraisers and umpires in adopting rules.

Sections 5.9800 - 5.9806 are added to new Division 4, which addresses the appraisal process for both personal automobile and residential property insurance and the notice insurers must send to a policyholder informing them of their right to appraisal. The requirements and conditions in Division 4 do not prohibit appraisal provisions from including other requirements or conditions that do not limit and are not contrary to Insurance Code Chapter 1813 and Division 4. Any other requirements and conditions remain subject to other applicable Texas laws, such as the standards for forms subject to filing and approval under Insurance Code Chapter 2301, Subchapter A.

To provide enough time for insurers to comply with these changes, TDI proposes to make September 1, 2026, the deadline to implement the new requirements. This proposed compliance date will give insurers ample time to amend the appraisal provisions in automobile and homeowners insurance policies and to draft and incorporate the appraisal process notice into their claims-handling process. In addition, it gives insurers time to file the amended policy forms with TDI for review and approval before September 1, 2026.

TDI received comments on an informal draft posted on September 22, 2025. TDI considered those comments when drafting this proposal.

Descriptions of the proposed new sections follow.

New §5.9800. This section describes the purpose and scope of new Division 4, relating to Appraisal Requirements. Subsection (a) states that the purpose of Division 4 is to implement Insurance Code Chapter 1813. Subsections (b) and (c) provide the applicability of Division 4, consistent with Insurance Code §1813.001, and state that Division 4 applies to personal automobile and residential property insurance delivered, issued for delivery, or renewed on or after September 1, 2026.

New §5.9801. This section provides definitions for use in new Division 4, including definitions of appraisal, appraisal provision, appraisal award, appraiser, party, personal automobile insurance, residential property insurance, and umpire.

The definition of "appraisal" refers to the process to resolve disputes about the amount of loss as described in Insurance Code Chapter 1813, and the definition of "appraisal provision" refers to the policy provision that provides for appraisal required under Chapter 1813.

The definition of "appraisal award" specifies that the determination of the amount of loss is signed by both appraisers or one appraiser and the umpire. Consistent with a typical appraisal provision, the umpire cannot unilaterally determine the amount of loss.

The definition of "party" means the insurer or the policyholder.

The definitions of "personal automobile insurance" and "residential property insurance" align with the description of those terms in Insurance Code §2301.051, helping to ensure clear and consistent application of these rules.

"Appraiser" and "umpire" are defined similarly to mean an individual who is qualified to act as an appraiser or umpire under Division 4 and who is hired or otherwise selected or appointed to participate in the appraisal process.

New §5.9802. This section outlines the general requirements for appraisal provisions required in certain insurance policies under Insurance Code Chapter 1813. These requirements do not prohibit appraisal provisions from including other requirements or conditions that do not limit and are not contrary to Insurance Code Chapter 1813 and new Division 4. Any other requirements and conditions remain subject to other applicable Texas laws, such as the standards for forms subject to filing and approval under Insurance Code Chapter 2301, Subchapter A.

This section also requires every policy subject to Insurance Code Chapter 1813 to include an appraisal provision that meets the standards outlined in paragraphs (1) - (6) of the section. Under paragraph (1), applicable policies must contain an appraisal provision that states either party has the right to unilaterally demand appraisal. Permitting either party to invoke appraisal is consistent with SB 458, which mandates that certain automobile and homeowners insurance policies include an appraisal provision. Requiring both parties to consent to appraisal before it is executed would frustrate the purpose of SB 458.

Under paragraph (2), the ability to demand appraisal must not be conditioned on the parties reaching an impasse. As described in Insurance Code §1813.003, the appraisal provision is intended to provide a dispute resolution process when the amount of loss is in dispute. A dispute indicates disagreement between the parties and does not require the parties to show that there is no chance of reaching an agreement. Paragraph (2) does not prevent an insurer from requiring proof of loss, consistent with Insurance Code Chapter 542, Subchapter B.

Paragraph (3) clarifies that appraisal is available for partial and total losses. Appraisal is not limited to total losses; it is also available for damaged property that only requires repair.

Paragraph (4) aligns with Insurance Code §1813.004 to clarify that an appraisal provision must require the appraisal award to be binding as to the amount of loss unless it was made without authority; was not made in substantial compliance with the appraisal provision; or there was fraud, or a material mistake relevant to the appraisal.

Paragraph (5) requires appraisal provisions to state the deadlines and process for appraisal. Deadlines must include the specific amounts of time listed in new §5.9805 and §5.9806 and be consistent with the other requirements in Division 4. The time limits and deadlines in new §5.9805 and §5.9806 provide a consistent and reliable basic timeframe for the appraisal process. For example, paragraph (5) ensures that every residential property policy subject to Insurance Code Chapter 1813 will give the policyholder one year to demand appraisal after the notice required under Insurance Code §542.056 is provided. It also gives the parties flexibility to agree to modify deadlines after a claim is made and the notice of acceptance or rejection under Insurance Code §542.056 has been provided. For example, after the notice is provided, the parties could agree to shorten the amount of time for the appraisers to reach an agreement on the amount of loss because the loss at issue is relatively simple. Paragraph (5) does not prohibit an appraisal provision from having additional deadlines.

Paragraph (6) clarifies that appraisal provisions must not conflict with new Division 4 or other Texas law, such as the policy form standards in Insurance Code Chapter 2301, Subchapter A.

New §5.9803. This section outlines the information that must be included in an appraisal process notice to policyholders. Subsection (a) requires an insurer to provide an appraisal process notice to the policyholder at the same time the insurer provides the notice of acceptance or rejection of the claim required under Insurance Code §542.056. The insurer may add the information required under subsection (b) to the notice sent under Insurance Code §542.056. Insurers may also choose to create a separate notice containing the information required under new §5.9803 and provide it to the policyholder at the same time as the notice required under Insurance Code §542.056.

Findings in TDI's 2024 Appraisal Experience Data Call Report (available at www.tdi.texas.gov/reports/pc/documents/2024-appraisal-experience-data-call-report.pdf) indicate that appraisal is demanded in only a small percentage of claims. Policyholders are unlikely to be familiar with how appraisal works and might not be aware of the availability of appraisal to resolve a dispute about the amount of loss. Policyholders should be made aware of appraisal and receive basic information about how it works when an insurer notifies the policyholder of the acceptance or rejection of a claim.

Subsection (b) requires the appraisal process notice to be written in plain language and appear in at least 10-point type, and explain:

- where the appraisal provision is located in the policy contract;

- how the policyholder may demand appraisal, including where to send the demand and what information the demand should include;

- the policyholder's responsibilities in the appraisal process;

- how the policyholder may request appointment of an umpire if the appraisers fail to jointly choose the umpire within the time provided, including how to request judicial appointment of an umpire;

- the applicable time limits in the appraisal process, including certain minimum information regarding deadlines; and

- the effect of the appraisal award.

New §5.9804. This section outlines the minimum qualifications that an appraiser or umpire must possess for appraisals subject to Insurance Code Chapter 1813 and new Division 4. Under subsection (a), all appraisers and umpires must meet the minimum qualifications, including (1) competency to evaluate the type of loss in the dispute, (2) independence from the parties, and (3) disinterest in the appraisal's outcome. A competency element is a long-standing, standard feature in personal automobile and residential property appraisal provisions, including in promulgated Texas personal automobile and homeowners policies. Likewise, independence from the parties is a common element in many appraisal provisions, including in promulgated Texas homeowners policies. Appraiser and umpire disinterest in the outcome is also preferred. It prevents appraisers from having a particular pecuniary interest in the outcome, ensuring an appraisal's fairness and trustworthiness as a dispute resolution tool.

Under subsection (b), appraisers and umpires in a residential property appraisal that involves loss to a dwelling must also be (1) an adjuster or public adjuster or public adjuster with experience or training in estimating residential property losses; (2) an engineer or architect with experience or training in residential construction or repair, investigating residential property damage, or estimating residential property losses; or (3) an individual who otherwise has occupational experience or training in constructing or repairing the type of damaged property at issue or estimating the type of property loss at issue. Specifying particular experience or training for appraisal of loss to a dwelling helps ensure that only properly qualified individuals participate and increases consistency in the market.

Because the section outlines only the minimum qualifications of an appraiser or umpire, appraisal provisions may establish additional or more specific qualifications as long as those provisions do not conflict with Division 4. This added flexibility reflects that loss disputes of this nature can vary significantly, such as the variation in the type and extent of property at issue; insurers can decide whether more nuanced qualifications may be appropriate.

New §5.9805. This section specifies requirements for the appraisal process under residential property insurance policies.

Subsection (a)(1) specifies that, except as provided in subsection (a)(2), an appraisal demand must be made in writing not later than one year after the insurer notifies the policyholder of acceptance or rejection of the claim as required under Insurance Code §542.056. Establishing the period to complete appraisal includes addressing the time that appraisal must begin. The one-year time limit to demand appraisal strikes a balance between giving time for a party to identify a disagreement about the amount of loss while ensuring appraisal is begun in a reasonable amount of time.

According to findings in the Appraisal Experience Data Call Report, while appraisal was used in only a small percentage of residential property claims, it was almost always initiated by the claimant, i.e., the policyholder. Most policyholders are likely unfamiliar with appraisal even though it is an important dispute resolution tool, so it is reasonable to favor a relatively long deadline to demand appraisal. According to the Appraisal Experience Data Call Report, approximately 90% of residential property appraisals were demanded within 11 months after the claim was filed. For the vast majority of claims, a one-year time limit from the date an insurer provides the notice required under Insurance Code §542.056 should be sufficient time for parties to evaluate whether to use appraisal. Using the notice required under Insurance Code §542.056 as a timing trigger provides a clear, consistent, well-established marker in the claim settlement process.

Subsection (a)(2) provides that if a lawsuit is filed concerning the loss at issue, the respondent to the lawsuit must have 30 days to demand appraisal. Subsection (a)(2) preserves the ability of a responding party to initiate appraisal even if the deadline in subsection (a)(1) has passed. Appraisal can be a more affordable and efficient dispute resolution process than litigation when an amount of loss is in dispute, so preserving the ability to initiate appraisal is beneficial.

Subsection (b) outlines other procedures and deadlines for residential property appraisal, including the deadlines to hire an appraiser, choose an umpire, and attempt to agree on the amount of loss. An appraisal award ordinarily represents the completion of appraisal. Because an appraisal award requires either both appraisers or the umpire and one of the appraisers to agree on an amount of loss, setting deadlines fundamentally helps establish the time in which appraisal must be completed.

Under subsection (b)(1), each party must hire an appraiser and provide the other party with the appraiser's name and contact information in writing within 20 days after written demand for appraisal is made. This prevents undue delay and is consistent with many appraisal provisions, including those in promulgated Texas homeowners policies.

Subsection (b)(2) requires appraisers to jointly choose an umpire and requires the appraisal provision to use one of the two deadline options in subparagraphs (A) and (B) for when umpire selection must occur. The first option requires the appraisers to choose an umpire not later than 15 days after the requirements in subsection (b)(1) are completed. This is a common deadline used in many appraisal provisions, including those in promulgated Texas homeowners policies. The second option requires the appraisers to choose an umpire not later than 15 days after the appraisers cannot agree on the amount of loss in dispute within the time under subsection (b)(4). The second option is an alternative for insurers that might prefer to have an appraisal provision that allows appraisers to wait to see whether they can agree on the amount of loss before choosing an umpire. The two options give insurers flexibility to establish when the umpire selection should occur during the appraisal process.

For circumstances in which the appraisers fail to choose an umpire within the deadlines described in proposed subsection (b)(2)(A) and (B), subsection (b)(3) states the required and permitted methods of umpire selection. Under subsection (b)(3)(A), an appraisal provision must allow either party to request judicial appointment of an umpire through a county or district where the residential property is located. Judicial appointment is the method many residential property appraisal provisions use, including in promulgated Texas homeowners policies, if the appraisers cannot agree on an umpire. Appraisal is a binding dispute resolution process that can offer an alternative to litigation, so it is reasonable to require appraisal provisions to have a judicial appointment option if there is a disagreement over who should be the umpire.

Subsection (b)(3)(B) authorizes insurers to include, in addition to judicial appointment, other methods of umpire appointment in an appraisal provision. Some residential property appraisal provisions currently provide for the umpire to be chosen by an independent vendor if the appraisers cannot agree. Subsection (b)(3)(B)(i) allows an insurer to provide an option for umpire appointment by an independent vendor that offers umpire selection services, but the insurer must include at least two vendors and let the policyholder select the vendor, or allow only the policyholder to invoke this option. Subsection (b)(3)(B)(ii) allows an insurer to provide umpire appointment through any alternative method that both parties mutually agree to in writing after appraisal has been demanded. By allowing these options in addition to judicial appointment, the proposed rule gives insurers added flexibility and efficiency in the appointment process while still ensuring a level of policyholder choice, regardless of the method.

Subsection (b)(3)(C) requires a party requesting umpire appointment through judicial appointment or by independent vendor to give written notice to the other party at least 10 days before making the request and, for judicial-appointment purposes, requires the written notice to include the location and identity of the court. Subsection (b)(3)(D) also requires the party requesting appointment to provide the other party with a copy of the request before or when the request is submitted. Subparagraphs (C) and (D) in subsection (b)(3) ensure that both parties are aware of an umpire appointment request.

Subsections (b)(4) and (5) outline the deadlines for attempting to agree on the amount of loss in dispute during appraisal. Under subsection (b)(4), appraisers must attempt to agree within 120 days after the appraisal demand was made. The 120-day deadline strikes a balance between providing time for the appraisers to attempt to agree on the amount of loss while ensuring that appraisal is completed in a reasonable amount of time. Findings in the Appraisal Experience Data Call Report indicate that about 75% of residential property appraisal awards that did not involve an umpire were made within 120 days after appraisal was demanded.

Under subsection (b)(5), where appraisers are unable to agree and an umpire is involved, the appraisers must submit their differences to the umpire and each other. An appraisal award must be issued not later than 240 days after the appraisal demand was made. Appraisal provisions, including those in promulgated Texas homeowners policies, commonly require appraisers to submit their differences to an umpire if the appraisers cannot agree on an amount of loss. According to the Appraisal Experience Data Call Report, 75% of residential property appraisal awards involving an umpire were made within 278 days after appraisal was demanded, and 50% were made within 193 days. The proposed 240-day deadline strikes a balance between completing appraisal in a timely manner and the need to give the umpire sufficient time to evaluate the loss, examine the differences, and attempt to agree on the amount of loss with at least one of the appraisers. Subject to subsection (c), if the appraisal award is not issued by the 240-day deadline, then the umpire's engagement is terminated on that date, and the appraisers must choose a new umpire within 15 days after the deadline passes.

Subsection (c) authorizes parties to modify any deadline in the appraisal process by written agreement after the appraisal process notice is provided under §5.9803. This gives the parties flexibility to adjust the timeframe after a loss occurs, allowing them to tailor it to the relative breadth and complexity of the loss at issue.

Section 5.9806. This section specifies requirements for the appraisal process under personal automobile insurance policies.

Subsection (a)(1) specifies that except as provided in subsection (a)(2), an appraisal demand must be made in writing not later than 120 days after the insurer notifies the policyholder of acceptance or rejection of a claim as required under Insurance Code §542.056. Establishing the period to complete appraisal reasonably includes addressing the time in which appraisal must begin. The 120-day deadline to demand appraisal strikes a balance between giving time for a party to identify a disagreement about the amount of loss while ensuring appraisal is begun in a reasonable amount of time.

According to findings in the Appraisal Experience Data Call Report, while appraisal was used in only a small percentage of personal automobile claims, it was almost always initiated by the claimant, i.e., the policyholder. Because most policyholders are likely unfamiliar with the appraisal process, even though it is an important dispute resolution tool, it is reasonable to favor a relatively long deadline to demand appraisal. According to the Appraisal Experience Data Call Report, over 90% of personal automobile appraisals were demanded within 120 days after the claim was filed. For the vast majority of claims, a 120-day deadline from the date an insurer provides the notice required under Insurance Code §542.056 should be sufficient time for parties to evaluate whether to use appraisal. Using the notice required under Insurance Code §542.056 as a timing trigger provides a clear, consistent, well-established marker in the claim settlement process.

Subsection (a)(2) provides that if a lawsuit is filed concerning the loss at issue, the respondent to the lawsuit must have 30 days to demand appraisal. Subsection (a)(2) preserves the ability of a responding party to initiate appraisal in case the deadline in subsection (a)(1) has passed. Appraisal can be a more affordable and efficient dispute resolution process than litigation when an amount of loss is in dispute, so preserving the ability to initiate appraisal is beneficial.

Subsection (b) outlines other procedures and deadlines for personal automobile appraisal, including the deadlines to hire an appraiser, choose an umpire, and attempt to agree on the amount of loss. An appraisal award ordinarily represents the completion of appraisal. Because an appraisal award requires either both appraisers or the umpire and one of the appraisers to agree on an amount of loss, setting deadlines fundamentally helps establish the time in which appraisal must be completed.

Under subsection (b)(1), each party must hire an appraiser and provide the other party with the appraiser's name and contact information in writing within 20 days after written demand for appraisal is made. While many appraisal provisions do not specify a deadline to select an appraiser, setting a 20-day deadline will help ensure that appraisers are identified and able to begin efforts to agree on the amount of loss in a timely manner.

Subsection (b)(2) requires appraisers to jointly choose an umpire and requires the appraisal provision to use one of the two deadline options in subparagraphs (A) and (B) for when umpire selection must occur. The first option in subsection (b)(2)(A) requires the appraisers to choose an umpire not later than 15 days after the requirements in subsection (b)(1) are completed. The second option in subsection (b)(2)(B) requires the appraisers to choose an umpire not later than 15 days after the appraisers cannot agree on the amount of loss in dispute within the time under subsection (b)(4). While many personal auto appraisal provisions do not specify a deadline to choose an umpire, setting a 15-day deadline will help ensure that an umpire is identified and able to begin efforts to resolve the appraisal in a timely manner if the appraisers cannot agree on the amount of loss. The two options give insurers flexibility to establish when the umpire selection should occur during the appraisal process.

For circumstances in which the appraisers fail to choose an umpire within the deadlines described in proposed subsection (b)(2)(A) and (B), subsection (b)(3) states the required and permitted methods of umpire selection. Under subsection (b)(3)(A), an appraisal provision must allow either party to request judicial appointment of an umpire through a county or district court where the residential property is located. Appraisal is a binding dispute resolution process that can offer an alternative to litigation, so it is reasonable to require appraisal provisions to have a judicial appointment option if there is a disagreement over who should be the umpire.

Subsection (b)(3)(B) authorizes insurers to include, in addition to judicial appointment, other methods of umpire appointment in an appraisal provision. Subsection (b)(3)(B)(i) allows an insurer to provide an option for umpire appointment by an independent vendor that offers umpire selection services, but the insurer must include at least two vendors and let the policyholder select the vendor, or allow only the policyholder to invoke this option. Subsection (b)(3)(B)(ii) allows an insurer to provide umpire appointment through any alternative method that both parties mutually agree to in writing after appraisal has been demanded. By allowing these options in addition to judicial appointment, the proposed rule gives insurers the ability to increase flexibility and, potentially, efficiency of the appointment process and still ensures a level of policyholder choice regardless of the method.

Subsection (b)(3)(C) requires a party requesting umpire appointment through judicial appointment or by independent vendor to give written notice to the other party at least 10 days before making the request and, for purposes of judicial appointment, requires the written notice to include the location and identity of the court. Subsection (b)(3)(D) also requires the party requesting appointment to provide the other party with a copy of the request before or when the request is submitted. Subsections (b)(3)(C) and (D) ensure that both parties are aware of an umpire appointment request.

Subsections (b)(4) and (5) outline the deadlines for attempting to agree on the amount of loss in dispute during appraisal. Under subsection (b)(4), appraisers must attempt to agree within 40 days after the appraisal demand was made. The 40-day deadline strikes a balance between providing time for the appraisers to attempt to agree on the amount of loss while ensuring that appraisal is completed in a reasonable amount of time. Findings in the Appraisal Experience Data Call Report indicate that over 75% of personal automobile appraisal awards that did not involve an umpire were made within 40 days after appraisal was demanded.

Under subsection (b)(5), where appraisers are unable to agree and an umpire is involved, the appraisers must submit their differences to the umpire and each other. An appraisal award must be issued not later than 180 days after the appraisal demand was made. Appraisal provisions, including those in the promulgated Texas personal automobile policy, commonly require appraisers to submit their differences to an umpire if the appraisers cannot agree on an amount of loss. According to the Appraisal Experience Data Call Report, 75% of personal automobile appraisal awards that involved an umpire were made within 210 days after appraisal was demanded, and 50% were made within 114 days. Setting a 180-day deadline strikes a balance between completing appraisal in a timely manner and the need to give the umpire sufficient time to evaluate the loss, examine the differences, and attempt to agree on the amount of loss with at least one of the appraisers. Subject to subsection (c), if the appraisal award is not issued by the 180-day deadline, then the umpire's engagement is terminated on that date, and the appraisers must choose a new umpire within 15 days after the deadline passes.

Subsection (c) authorizes parties to modify any deadline in the appraisal process by written agreement after the appraisal process notice is provided under §5.9803. This gives the parties flexibility to adjust the timeframe after a loss occurs, allowing them to tailor it to the relative breadth and complexity of the loss at issue.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. David Muckerheide, assistant director of the Property and Casualty Lines Office, has determined that during each year of the first five years the proposed new sections are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the new sections, other than that imposed by statute. Mr. Muckerheide made this determination because the proposed new sections do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed new sections.

Mr. Muckerheide does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed new sections are in effect, Mr. Muckerheide expects that administering them will have the public benefit of ensuring that TDI's rules conform with Insurance Code Chapter 1813, as added by SB 458. In addition, the new sections will benefit personal automobile and residential property policyholders by creating consistent timeframes and minimum standards for appraisal provisions and processes, and by ensuring they are made aware of the right to demand appraisal. Policyholders and insurers will also benefit from having reasonable deadlines to help promote the timely completion of appraisals, and from having required appraisal provisions in policies because appraisal can be cheaper, more efficient, and a timelier dispute resolution option than litigation.

Mr. Muckerheide expects that the proposed new sections will impose an economic cost on persons required to comply with the new sections.

Costs. TDI anticipates that implementing the proposed new sections will result in costs to insurers when updating personal automobile and residential property insurance policy forms and notices to comply with the proposed requirements. The cost to comply will vary depending on the contents of an insurer's appraisal provision, the insurer's operations, and how the insurer chooses to implement the notice requirements under new §5.9805. While it is not feasible to determine the actual time required or the cost of employees needed to comply with the requirements, TDI estimates that updating appraisal provision language and drafting the appraisal process notice to policyholders will take a range of three to five hours to complete and might require an attorney. According to the May 2024 Bureau of Labor Statistics Occupational Employment and Wage Statistics at www.bls.gov/oes/current/oes_nat.htm, the national mean hourly wage for the "Lawyers" classification is $87.86.

Depending on how insurers choose to implement the appraisal process notice to policyholders under new §5.9803, TDI anticipates that incorporating updated language into insurers' existing policy and notice form templates, filing updated policy forms with TDI, and updating policy and claim administration systems will take a range of five to 15 hours to complete and will likely require both software programming and clerical staff. According to the May 2024 Bureau of Labor Statistics Occupational Employment and Wage Statistics at www.bls.gov/oes/current/oes_nat.htm, the national mean hourly wage for the "Software and Web Developers, Programmers, and Testers" classification is $65.34, and the national mean hourly wage for the "Secretaries and Administrative Assistants, Except Legal, Medical, and Executive" classification is $25.03.

TDI anticipates there may be printing, copying, mailing, and transmitting costs associated with providing updated forms to policyholders at renewal and updated notice forms to policyholders when a claim is accepted or rejected. It may require clerical staff to implement these printing, copying, mailing, and transmission efforts. It is not possible for TDI to estimate the total increased printing, copying, mailing, and transmitting costs related to compliance with this proposal because there are many factors involved that TDI cannot quantify. For example, an insurer might conduct business with its policyholders electronically and would not incur printing, copying, mailing, or transmitting costs. Insurers are more capable of accurately estimating any costs they will incur to comply.

Factors mitigating costs. Because insurers were required to have an appraisal provision in their personal automobile and residential property insurance policy forms delivered, issued for delivery, or renewed on or after January 1, 2026, TDI anticipates that the updates required to comply with the new sections should be less burdensome to implement. In addition, TDI proposes delaying the date that insurers must begin complying with the new rule requirements to September 1, 2026, so insurers have additional time to implement the new requirements.

New §5.9803 permits insurers to choose how to comply with the appraisal process notice to policyholders. Insurers may choose to incorporate the appraisal process notice information into the notice of acceptance or rejection required under Insurance Code §542.056 or provide a separate appraisal process notice to policyholders at the same time the notice under Insurance Code §542.056 is sent. If insurers choose to incorporate the information into the notice of acceptance or rejection, then insurers may incur lower printing, copying, mailing, and transmitting costs.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed new sections may have an adverse economic effect on small or micro businesses. The cost analysis in the Public Benefit and Cost Note section of this proposal also applies to small and micro businesses. TDI estimates that the proposed new sections may affect approximately 75 to 80 personal automobile insurers and 45 to 50 residential property insurers. The primary objective of this proposal is to establish the requirements for an appraisal provision in a personal auto or residential property insurance policy, consistent with Insurance Code Chapter 1813.

TDI has determined that the proposed new sections will not have an adverse economic effect or a disproportionate effect on rural communities because the rules do not apply to rural communities.

TDI considered the following alternatives to minimize any adverse impact on small and micro businesses while accomplishing the proposal's objectives:

(1) not proposing the new sections;

(2) excluding small and micro businesses from complying with the new sections; and

(3) extending the deadline for small and micro businesses to comply with the new sections.

Not proposing the new sections. As previously noted, the primary purpose of this rule is to implement Insurance Code Chapter 1813, which requires certain insurers that write personal automobile or residential property insurance to include an appraisal provision in an insurance policy beginning January 1, 2026. Insurance Code §1813.002 directs TDI to adopt rules necessary to implement the chapter, including rules that (1) establish the period in which an appraisal must be completed, considering the qualifications and selection of appraisers and umpires; and (2) mandate appraisal in certain circumstances. Not proposing the new sections would result in TDI failing to meet the clear directive in Insurance Code §1813.002. For this reason, TDI has rejected this option.

Excluding small and micro businesses from complying with the proposed new sections. Insurance Code §1813.001 identifies the insurers who are required to comply with Insurance Code Chapter 1813. Insurers who meet the definition of small and micro businesses under Government Code §2006.001 are not excluded under Insurance Code §1813.001(b). Excluding small and micro businesses from compliance would result in disparate treatment of policyholders who purchase a personal automobile or residential property insurance policy from a small or micro business. These policyholders would be deprived of the basic protections established by the rules, including the minimum appraisal provision requirements and the appraisal process notice requirements. For this reason, TDI has rejected this option.

Extending the deadline for small and micro businesses to comply with the proposed new sections. TDI decided to extend the deadline for compliance for all insurers because this option ensures consistent application of Insurance Code Chapter 1813, protects all policyholders who purchase a personal automobile or residential property policy, and lessens confusion by having only one compliance date for all applicable Texas insurers. In addition, the extended deadline for compliance will help alleviate some of the possible economic impacts of compliance, including economic impacts on small and micro businesses. Insurers will have the opportunity to incorporate the new requirements under Division 4 with other planned policy updates or changes during that period. For these reasons, TDI has decided to incorporate this option into the proposal.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does impose a possible cost on regulated persons. No additional rule amendments are required under Government Code §2001.0045 because the proposed rule is necessary to implement legislation. The proposed rule implements Insurance Code §1813.002, as added by SB 458.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the proposed new sections are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will create a new regulation;

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

- will increase the number of individuals subject to the rule's applicability; and

- will positively affect the Texas economy by having appraisal provisions in policies because appraisal can be cheaper, more efficient, and a timelier dispute resolution option than litigation and by establishing reasonable and consistent minimum requirements that help ensure appraisals are fair and completed in a timely manner.

TAKINGS IMPACT ASSESSMENT. TDI 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. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on June 8, 2026. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2862 at 10:00 a.m., central time, on June 2, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin Texas 78701 in Room 2.035. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

STATUTORY AUTHORITY. TDI proposes new §§5.9800 - 5.9806 under Insurance Code §1813.002 and §36.001.

Insurance Code §1813.002 requires the commissioner to adopt rules necessary to implement Insurance Code Chapter 1813, including rules establishing the period in which an appraisal under Insurance Code Chapter 1813 must be completed and rules mandating an appraisal for total loss and damage of the property that is the subject of the appraisal.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. Sections 5.9800 - 5.9806 implement Insurance Code Chapter 1813.

§5.9800. Purpose and Scope.

(a) This division implements Insurance Code Chapter 1813, concerning Appraisal of Disputed Losses, which requires personal automobile and residential property insurance policies to include an appraisal provision that is intended to provide a type of dispute resolution process solely to determine the amount of loss when that amount is in dispute between the policyholder and the insurer.

(b) This division applies to personal automobile and residential property insurance policies delivered, issued for delivery, or renewed on or after September 1, 2026, in Texas by insurers described in Insurance Code §1813.001(a), concerning Applicability of Chapter.

(c) This division does not apply to:

(1) Texas Windstorm Insurance Association policies; or

(2) commercial insurance policies.

§5.9801. Definitions.

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

(1) Appraisal--The process to resolve a dispute between the insurer and a policyholder about the amount of loss as described in Insurance Code Chapter 1813, concerning Appraisal of Disputed Losses.

(2) Appraisal provision--The policy provision that provides for appraisal, as required under Insurance Code Chapter 1813.

(3) Appraisal award--The written determination of the amount of loss which is signed during the appraisal process by:

(A) both appraisers; or

(B) by either of the appraisers and the umpire.

(4) Appraiser--An individual who is qualified to be an appraiser under this division and is hired by either party to participate in the appraisal process.

(5) Party--The insurer or policyholder.

(6) Personal automobile insurance--Automobile insurance coverage for the ownership, maintenance, or use of a private passenger, utility, or miscellaneous-type motor vehicle, including a motor home, trailer, or recreational vehicle, that is owned or leased by one or more individuals and not primarily used for the delivery of goods, materials, or services, other than for use in farm or ranch operations.

(7) Residential property insurance--Insurance coverage against loss to tangible personal property or to residential real property at a fixed location that is provided through a homeowners insurance policy, including a tenants insurance policy, a condominium owners insurance policy, or a residential fire and allied lines insurance policy.

(8) Umpire--An individual who is qualified to be an appraisal umpire under this division and is selected by the appraisers or otherwise appointed to participate in the appraisal process.

§5.9802. General Requirements for Appraisal Provisions.

Every insurance policy subject to this division must have an appraisal provision that:

(1) states either party has the right to unilaterally demand appraisal;

(2) does not require the parties to reach an impasse before a party can demand appraisal;

(3) applies to disputes between the parties about the amount of loss, including partial or total loss;

(4) requires the appraisal award to be binding as to the amount of loss, unless:

(A) it was made without authority;

(B) it was not made in substantial compliance with the appraisal provision; or

(C) there was fraud, accident, or material mistake relevant to the appraisal;

(5) states the deadlines and process for appraisal, which must include the specific amounts of time listed in §5.9805 of this title (relating to Residential Property Appraisal Process) or §5.9806 of this title (relating to Personal Automobile Appraisal Process) as applicable and be consistent with the other requirements in this division; and

(6) does not conflict with this division or other Texas law.

§5.9803. Appraisal Process Notice to Policyholders.

(a) At the same time the insurer provides notice of acceptance or rejection of the claim as required under Insurance Code §542.056, concerning Notice of Acceptance or Rejection of Claim, the insurer must also provide notice of the appraisal process to the policyholder that is consistent with this section. Notice of the appraisal process may be a separate document or may be included in the notice under Insurance Code §542.056.

(b) The appraisal process notice must be written in plain language and at least 10-point type, and explain:

(1) where the appraisal provision is in the policy contract;

(2) how the policyholder may demand appraisal, including where to send the demand and what information the demand should include;

(3) the policyholder's responsibilities in the appraisal process, including the duty to hire an appraiser and any responsibility for appraisal expenses;

(4) how the policyholder may request appointment of an umpire if the appraisers fail to jointly choose the umpire within the time provided under §5.9805(b)(2) of this title (relating to Residential Property Appraisal Process) or §5.9806(b)(2) of this title (relating to Personal Automobile Appraisal Process), including how to request judicial appointment of an umpire;

(5) the applicable time limits in the appraisal process including, at a minimum, the deadlines for:

(A) demanding appraisal;

(B) appointing appraisers;

(C) selection of an umpire; and

(D) issuing the appraisal award; and

(6) the effect of the appraisal award.

§5.9804. Minimum Qualifications for Appraisers and Umpires.

(a) Appraisers and umpires must be:

(1) competent by training or experience to evaluate the type of loss in dispute;

(2) independent from the parties; and

(3) disinterested in the outcome of the appraisal.

(b) In addition to subsection (a) of this section, appraisers and umpires in a residential property appraisal that involves loss to a dwelling must also be one of the following:

(1) an adjuster or public adjuster with experience or training in estimating residential property losses;

(2) an engineer or architect with experience or training in residential building construction or repair, investigating residential property damage, or estimating residential property losses; or

(3) an individual who otherwise has occupational experience or training in constructing or repairing the type of damaged property at issue or estimating the type of property loss at issue.

§5.9805. Residential Property Appraisal Process.

(a) Appraisal demand.

(1) Except as provided in paragraph (2) of this subsection, a demand for appraisal under a residential property insurance policy must be made in writing not later than one year from the date the insurer notifies the policyholder of acceptance or rejection of the claim as required under Insurance Code §542.056, concerning Notice of Acceptance or Rejection of Claim.

(2) If a lawsuit is filed concerning the loss at issue, the respondent must have 30 days from when the lawsuit is filed to make an appraisal demand.

(b) Appraisal and umpire procedures. Subject to subsection (c) of this section, the following deadlines apply after a written demand for appraisal is made under subsection (a) of this section.

(1) Within 20 days, each party must hire its own appraiser and provide the appraiser's name and contact information to the other party in writing.

(2) The appraisers must jointly choose an umpire. The appraisal provision must require the appraisers to jointly choose an umpire not later than 15 days after either:

(A) the requirements in paragraph (1) of this subsection are completed; or

(B) the appraisers cannot agree on the amount of loss in dispute within the time provided in paragraph (4) of this subsection.

(3) If the appraisers fail to jointly choose an umpire within the time provided under paragraph (2) of this subsection, an umpire must be appointed subject to the following provisions.

(A) The appraisal provision must allow either party to request judicial appointment of an umpire. The judicial appointment must be through a county or district court where the residential property is located.

(B) An appraisal provision may also include:

(i) an option for umpire appointment by an independent vendor that offers umpire selection services. An option for umpire appointment by an independent vendor must include at least two vendors and allow the policyholder to select which vendor is used, or it must allow only the policyholder to invoke the option for umpire appointment by a vendor; and

(ii) an option for umpire appointment through any alternative method that the parties mutually agree to in writing after appraisal has been demanded.

(C) A party requesting umpire appointment through judicial appointment or by an independent vendor must give written notice to the other party at least 10 days before making the request. For a judicial appointment, the written notice must include the location and identity of the court.

(D) On or before submitting a request for umpire appointment under this subsection, the party requesting the appointment must give the other party a copy of the request.

(4) Within 120 days after the appraisal demand was made, the two appraisers must attempt to agree on the amount of loss in dispute.

(5) If the appraisers cannot agree on the amount of loss in dispute, they must submit their differences to each other and the umpire. When an umpire is involved, the appraisal award must be issued not later than 240 days after the appraisal demand was made. If an appraisal award is not issued by the deadline, the umpire's engagement is terminated on that date, and the appraisers must choose a new umpire within 15 days after the deadline passes.

(c) Modifying deadlines. The parties may modify any deadline in the appraisal process by written agreement after the insurer provides the appraisal process notice required under §5.9803 of this title (relating to Appraisal Process Notice to Policyholders).

§5.9806. Personal Automobile Appraisal Process.

(a) Appraisal demand.

(1) Except as provided in paragraph (2) of this subsection, a demand for appraisal under a personal automobile insurance policy must be made in writing not later than 120 days from the date the insurer notifies the policyholder of acceptance or rejection of the claim as required under Insurance Code §542.056, concerning Notice of Acceptance or Rejection of Claim.

(2) If a lawsuit is filed concerning the loss at issue, the respondent must have 30 days from when the lawsuit is filed to make an appraisal demand.

(b) Appraisal and umpire procedures. Subject to subsection (c) of this section, the following deadlines apply after a written demand for appraisal is made under subsection (a) of this section.

(1) Within 20 days, each party must hire its own appraiser and provide the appraiser's name and contact information to the other party in writing.

(2) The appraisers must jointly choose an umpire. The appraisal provision must require the appraisers to jointly choose an umpire not later than 15 days after either:

(A) the requirements in paragraph (1) of this subsection are completed; or

(B) the appraisers cannot agree on the amount of loss in dispute within the time provided in paragraph (4) of this subsection.

(3) If the appraisers fail to jointly choose an umpire within the time provided under paragraph (2) of this subsection, an umpire must be appointed subject to the following provisions.

(A) The appraisal provision must allow either party to request judicial appointment of an umpire. The judicial appointment must be through a county or district court where the vehicle is principally garaged.

(B) An appraisal provision may also include:

(i) an option for umpire appointment by an independent vendor that offers umpire selection services. An option for umpire appointment by an independent vendor must include at least two vendors and allow the policyholder to select which vendor is used, or it must allow only the policyholder to invoke the option for umpire appointment by a vendor; and

(ii) an option for umpire appointment through any alternative method that the parties mutually agree to in writing after appraisal has been demanded.

(C) A party requesting umpire appointment through judicial appointment or by an independent vendor must give written notice to the other party at least 10 days before making the request. For judicial appointment, the written notice must include the location and identity of the court.

(D) On or before submitting a request for umpire appointment under this subsection, the party requesting the appointment must give the other party a copy of the request.

(4) Within 40 days after the appraisal demand was made, the two appraisers must attempt to agree on the amount of loss in dispute.

(5) If the appraisers cannot agree on the amount of loss in dispute, they must submit their differences to each other and the umpire. When an umpire is involved, the appraisal award must be issued not later than 180 days after the appraisal demand was made. If an appraisal award is not issued by the deadline, the umpire's engagement is terminated on that date, and the appraisers must choose a new umpire within 15 days after the deadline passes.

(c) Modifying deadlines. The parties may modify any deadline in the appraisal process by written agreement after the insurer provides the appraisal process notice required under §5.9803 of this title (relating to Appraisal Process Notice to Policyholders).

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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Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 676-6555

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CHAPTER 11. HEALTH MAINTENANCE ORGANIZATIONS

The Texas Department of Insurance (TDI) proposes to repeal 28 TAC §11.505 and amend §§11.202, 11.301, 11.302, 11.501 - 11.504, 11.506, 11.701, 11.901, 11.902, 11.1402, 11.1604, and 11.2503, concerning health maintenance organizations (HMOs). The repeal and amendments update HMO filing rules to align with filing requirements in 28 TAC Chapter 3, Subchapter A, and implement House Bills 388, 2221, and 3211, 89th Legislature, 2025; and Senate Bills 493, 896, 926, and 1236, 89th Legislature, 2025.

EXPLANATION. Amendments to §§11.504, 11.506, 11.901, 11.902, 11.1402, and 11.2503 are necessary to implement the following legislation:

- HB 388 requires health plans to use a uniform coordination of benefits questionnaire that is adopted by TDI.

- HB 2221 repeals certain provisions in Insurance Code Chapter 541, concerning unlawful rebates and inducements, and replaces them with similar provisions in new Chapter 1702.

- HB 3211 establishes new contracting requirements for vision care plans.

- SB 493 prohibits certain pharmacy benefit manager contract provisions.

- SB 896 extends the period during which a newborn child is automatically covered and the deadline to enroll a newborn child into coverage.

- SB 926 expands provisions related to health plans that use steering or tiering to encourage enrollees to use certain network physicians and providers.

- SB 1236 expands requirements for pharmacy benefit network contracts.

In separate proposals also published in this issue of the *Texas Register*, TDI proposes to amend 28 TAC Chapters 3 and 26 to make changes to implement the previously referenced legislation. In a separate proposal published October 24, 2025 (50 TexReg 6976), TDI proposed a uniform coordination of benefits questionnaire in 28 TAC Chapter 3, Subchapter V, to implement HB 388. At a later date, TDI also plans to propose amendments to 28 TAC Chapter 21 to implement provisions in HB 2221 and SB 1236.

Additional amendments to §§11.202, 11.301, 11.302, 11.501 - 11.504, 11.701, and 11.1604, and the repeal of §11.505 are necessary to update HMO filing rules to align with filing requirements for life, health, and HMO products in 28 TAC Chapter 3, Subchapter A. Historically, HMO filing requirements were addressed exclusively in Chapter 11. However, in 2025, TDI modernized the rules in 28 TAC Chapter 3, Subchapter A, and expanded the scope to include all HMO filings that are filed with TDI's Life and Health Division through the NAIC's System for Electronic Rates and Forms Filing (SERFF) after an HMO receives a certificate of authority. The proposed amendments and repeal remove provisions that duplicate or conflict with the provisions in 28 TAC Chapter 3, Subchapter A. Because of the proposed reorganization of §11.301, cross-references in other sections of Chapter 11 are amended to conform to the reorganized subsections and paragraphs.

Descriptions of the sections as proposed follow, organized by subchapter.

Subchapter C.

Section 11.202.

An amendment is proposed to §11.202 to delete subsection (i), which requires each item in the application to be identified by a unique form number. This requirement is no longer necessary. Form numbers are needed only for filings made in SERFF, and applicable requirements are contained in 28 TAC Chapter 3, Subchapter A. The deletion of subsection (i) conforms to the proposed amendments to §11.301.

Subchapter D.

Section 11.301.

The proposed amendments to §11.301 modify the filing requirements to conform to changes adopted in 28 TAC Chapter 3, Subchapter A, which broadly address filing requirements for life, health, and HMO products and remove the need for most HMO-specific filing requirements. As part of these amendments, provisions throughout the section are reorganized into subsections, renumbered paragraphs, and redesignated subparagraphs.

To improve readability, amendments to newly designated subsection (a) add statutory citations that are currently included in paragraph (1) and remove language addressing filings for preapproval or for information only because those filing types are addressed in subsequent subsections. Cross-references to paragraphs (4) and (5) are revised to instead reference newly designated subsections (c) and (d) to reflect the section's proposed reorganization. A sentence related to paper and electronic filings is deleted since other references in the section delineating such filing methods are also removed.

Paragraph (1) and subparagraph (A) are redesignated as subsection (b) and the catchline is modified to remove the words "and format," consistent with other changes to the subsection. To improve readability, the references to statutory citations that require filings for approval are moved to subsection (a). References to statutes and rules specifying the information that must be contained for a filing to be considered complete are reorganized into new paragraphs (1) - (3). New paragraph (4) adds a reference to filing rules in 28 TAC Chapter 3, Subchapter A, regarding submission requirements for life, health, and HMO products. Subparagraphs (B) - (E), related to filing format and methods, are deleted. Because almost all filings are made electronically, the provisions for paper filings are not necessary. The references to filing methods are unnecessary because they are addressed in newly designated subsections (c) and (d).

Paragraphs (2) and (3), related to form numbers, certification and transmittal forms, supporting documentation, and filing fees, are deleted because similar provisions are contained in 28 TAC Chapter 3, Subchapter A. Since form numbers are not required for filings outside the scope of 28 TAC Chapter 3, Subchapter A, and as previously discussed, the proposal makes a conforming amendment to §11.202 to remove a reference to paragraph (2).

Paragraph (4) is redesignated as subsection (c). References to submissions through SERFF are replaced with a reference to 28 TAC Chapter 3, Subchapter A, which requires electronic submission through SERFF.

Paragraph (5) is redesignated as subsection (d). The catchline is expanded to include filings for review because some filings, such as the schedule of charges, are classified as rate filings subject to review under 28 TAC Chapter 3, Subchapter A. To avoid duplication with filing requirements in 28 TAC Chapter 3, Subchapter A, the requirement for accompanying documents is removed. References to SERFF submissions are replaced with a reference to 28 TAC Chapter 3, Subchapter A, which requires electronic submission through SERFF.

Paragraph (6) is redesignated as subsection (e).

Paragraph (7) is redesignated as subsection (f) and updated to align with 28 TAC Chapter 3, Subchapter A. The catchline is revised to reference "requests for corrections" instead of "pending." Internal cross-references are updated to conform with organizational changes throughout the section. Subparagraph (C), which addresses holding a filing in a pending status, is deleted, since a corresponding requirement is not found in Insurance Code Chapter 1271 or in the filing rules in 28 TAC Chapter 3, Subchapter A. Redesignated paragraph (3) is revised to add a reference to 28 TAC §3.23 and to indicate that if an HMO has not addressed TDI's request for corrections or additional information within 10 business days, TDI may consider the filing withdrawn from review. This aligns with 28 TAC §3.23(c)(3) and replaces the current provision, stating that after 15 calendar days, the

HMO may withdraw the filing before the end of the review period.

Section 11.302.

An amendment is proposed to §11.302(b)(4) to revise a reference to §11.301 to conform to proposed amendments to that section.

Subchapter F.

Section 11.501.

The proposed amendments to §11.501 remove outdated filing fee provisions in subsection (b) and replace them with references to the filing requirements in 28 TAC Chapter 3, Subchapter A. Subsection (c), regarding matrix filing fees, is deleted.

Section 11.502.

The proposed amendments to §11.502 modify subsection (a) to revise the reference to §11.301 to conform to the proposed amendments reorganizing that section and add a reference to filing requirements in 28 TAC Chapter 3, Subchapter A.

Section 11.503.

The proposed amendments to §11.503 revise subsection (a) to add a reference to filing requirements contained in 28 TAC Chapter 3, Subchapter A. Subsection (c) is amended to remove a reference to §11.505, which is proposed for repeal. To avoid duplication with provisions in §3.23 and 28 TAC §11.301, subsections (d) - (f) are deleted.

Section 11.504.

The proposed amendments to §11.504 revise subsection (a)(1) to add a reference to filing requirements in 28 TAC Chapter 3, Subchapter A, and revise subsection (a)(3) to implement HB 2221 by adding a reference to new Insurance Code Chapter 1702.

Repeal of Section 11.505.

The proposed repeal of §11.505 avoids duplication with filing requirements in 28 TAC Chapter 3, Subchapter A.

Section 11.506.

The proposed amendments to §11.506(b)(8)(D)(iii) and (v) implement SB 896 by expanding required coverage for newborn children from 31 days to 60 days following birth and by extending the deadline to notify the HMO.

Subchapter H.

Section 11.701.

The proposed amendments to §11.701 add a reference in subsection (a) to the filing requirements in 28 TAC Chapter 3, Subchapter A. New subsection (c) is added to reference requirements for major medical rate filings in 28 TAC Chapter 3, Subchapter F, which implements Insurance Code Chapter 1698.

Subchapter J.

Section 11.901.

The proposed amendments to §11.901 implement legislation related to health plan contracting. An amendment to subsection (b)(12) implements HB 388 by adding a citation to new Insurance Code §1203.153, in connection to a requirement for a contracted physician or provider to retain records on a patient's other health plan coverage, including the coordination of benefits questionnaire. New subsection (h) is added to implement SB 1236 by requiring that a contract between an HMO and a pharmacy or pharmacist comply with pharmacy benefits contracting standards in Insurance Code Chapter 1369.

Section 11.902.

Subsection (a)(7) is redesignated as (a)(8), and new subsection (a)(7) is added to implement HB 3211 by prohibiting HMO conduct that violates §1451.1545 or §1451.157. New subsection (a)(9) is added to implement SB 493 by prohibiting conduct that violates Insurance Code §4151.155.

Subsection (b) is amended to implement SB 926 by adding a reference to Insurance Code §843.322. To avoid duplicating the statute, subparagraphs (A) - (D) of paragraph (3) are deleted.

Subchapter O.

Section 11.1402.

An amendment is proposed to §11.1402 to implement HB 3211 by adding new subsection (e) to require vision care plans specifically to comply with Insurance Code §1451.1545.

Subchapter Q.

Section 11.1604.

A proposed amendment to §11.1604 revises a reference in paragraph (2) to §11.301 to conform to proposed amendments to that section.

Subchapter Z.

Section 11.2503.

An amendment is proposed to §11.2503(d) to implement HB 2221 by adding a citation to Insurance Code Chapter 1702.

The sections as proposed also include nonsubstantive editorial and formatting changes to conform them to the agency's current style and to improve the rule's clarity. These changes appear throughout the amended sections and include correcting the style of statutory citations; adding headings to cited statutes and rules; updating cross-references to other rules; updating terminology; and making other grammatical, punctuational, and formatting changes to reflect TDI's current drafting style and plain language preferences.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Rachel Bowden, director of the Regulatory Initiatives Office in the Life and Health Division, has determined that during each year of the first five years the sections as proposed are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering them other than that imposed by statute. Ms. Bowden made this determination because the sections as proposed do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with them.

Ms. Bowden does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE.

For each year of the first five years the sections as proposed are in effect, Ms. Bowden expects that administering them will have the public benefit of ensuring that TDI's rules conform to House Bills 388, 2221, and 3211, and Senate Bills 493, 896, 926, and 1236. The sections as proposed will also have the public benefit of simplifying HMO filing rules in Chapter 11 by conforming them to unified life, health, and HMO filing rules in 28 TAC Chapter 3, Subchapter A.

Ms. Bowden expects that the sections as proposed will not increase the cost of compliance. The 28 TAC Chapter 3 filing requirements were adopted in April 2025 and are already being applied to HMOs. The sections as proposed conform the HMO rules in Chapter 11 with the 28 TAC Chapter 3 rules and will not increase compliance costs. Any cost for those required to comply with the sections as proposed are attributable to House Bills 388, 2221, and 3211, and Senate Bills 493, 896, 926, and 1236.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.

TDI has determined that the sections as proposed will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. As explained in the Public Benefits and Cost Note, TDI has determined that this proposal does not impose a cost on regulated persons. Therefore, no additional rule amendments are required under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT.

TDI has determined that for each year of the first five years that the sections as proposed are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will not create a new regulation;

- will expand, limit, or repeal an existing regulation;

- will not increase or decrease the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT.

TDI 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. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT.

TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on June 8, 2026. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2864. This proposal will be part of a rule hearing docket that will begin at 10:00 a.m., central time, on June 1, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin Texas 78701 in Room 2.034. Visit www.tdi.texas.gov/alert/event/index.html for more info on the proposed rule, hearing, and comment submission.

SUBCHAPTER C. APPLICATION FOR CERTIFICATE OF AUTHORITY

28 TAC §11.202

STATUTORY AUTHORITY.

TDI proposes amendments to §11.202 under Insurance Code §§843.080, 843.151 and 36.001.

Insurance Code §843.080 authorizes the commissioner to adopt reasonable rules that the commissioner considers necessary for the proper administration of Insurance Code Chapter 843 to require an HMO, after receiving its certificate of authority, to submit modifications or amendments for the commissioner's approval or information.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code and to ensure adequate access to health care services.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §11.202 implement Insurance Code Chapter 843, Subchapter C.

§11.202. Binding, Indexing, and Numbering Requirements.

(a) A proposed HMO may submit an application for a certificate of authority in electronic format, by electronic file transmission or in a data storage format acceptable to the department, or by paper.

(b) If an HMO submits an application in paper format, the applicant must submit three separate copies of the application in separate three-ring binders[,] so that pages may be easily replaced when necessary. Paper applications must include dividers with identifying subject tabs preceding each separate exhibit.

(c) Applications submitted in an electronic format must include separate file folders with names identifying each exhibit.

(d) Each application must contain a table of contents.

(e) All pages must be clearly legible and numbered.

(f) An HMO should not use identical items in more than one section of the application. Instead of using the same information in more than one place, an application must refer to the file or page on which the required form or list may be found.

(g) An original application becomes the charter file once the applicant submits all required revisions and the commissioner approves the application.

(h) The application is subject to Government Code Chapter 552, [(]concerning Public Information[)].

[~~(i) Each item in the application must be identified by a unique number as more fully described in §11.301(2) of this title (relating to Filing Requirements).~~]

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

Filed with the Office of the Secretary of State on April 27, 2026.

TRD-202601803
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 676-6555

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SUBCHAPTER D. REGULATORY REQUIREMENTS FOR AN HMO AFTER ISSUANCE OF CERTIFICATE OF AUTHORITY

28 TAC §11.301, §11.302

STATUTORY AUTHORITY.

TDI proposes amendments to §11.301 and §11.302 under Insurance Code §§843.080, 843.151 and 36.001.

Insurance Code §843.080 provides that the commissioner may adopt reasonable rules that the commissioner considers necessary for the proper administration of Insurance Code Chapter 843 to require an HMO, after receiving its certificate of authority, to submit modifications or amendments for the commissioner's approval or information.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code and to ensure adequate access to health care services.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §11.301 and §11.302 implement Insurance Code Chapters 843 and 1271.

§11.301. Filing Requirements.

(a) Filings required. Consistent with Insurance Code §843.080, concerning Modification or Amendment of Application Information, and Insurance Code Chapter 1271, Subchapter C, concerning Commissioner Approval, after [~~After~~] the commissioner issues an HMO's certificate of authority, the HMO is required to file with the commissioner[~~, either for approval before effect or for information only,~~] any items specified in §11.204 of this title (relating to Contents) that the HMO has deleted, amended, or revised as outlined in subsections (c) and (d) [~~paragraphs (4) and (5)~~] of this section and any items specified in §11.302 of this title (relating to Service Area Expansion or Reduction Applications). These requirements include filing changes made necessary by federal or state law or regulations. [~~All requirements in this section apply to both electronic and paper filings unless stated otherwise.~~]

(b) [~~(1)~~] Completeness [~~and format~~] of filings. [~~(A)~~] The department will not accept a filing for review until the filing is complete. An application to modify an approved application for a certificate of authority [~~that requires the commissioner's approval under Insurance Code §843.080 (concerning Modification or Amendment of Application Information) or Insurance Code Chapter 1271, Subchapter C, (concerning Commissioner Approval)~~] is considered complete when all information [~~required by this section; §11.302; and Chapter 11, Subchapter T, of this title (relating to Quality of Care)~~] that is applicable and reasonably necessary for the department to make a final determination has been filed, including information required by: [~~.~~]

(1) this section;

(2) §11.302 of this title;

(3) Subchapter T of this chapter (relating to Quality of Care); and

(4) Chapter 3, Subchapter A, of this title (relating to Submission Requirements for Filings and Departmental Actions Related to Such Filings).

[~~(B) Unless otherwise required by this chapter or the Insurance Code, an HMO may submit a filing electronically through the NAIC's System for Electronic Rate and Form Filing or through any other method acceptable to the department.~~]

[~~(C) Unless otherwise required by this chapter or the Insurance Code, paper filings must:~~]

[~~*(i)* be submitted on 8-1/2- by 11-inch paper;~~]

[~~*(ii)* not be submitted in bound booklets;~~]

[~~*(iii)* be legible;~~]

[~~*(iv)* be in typewritten, computer generated, or printer's proof format; and~~]

[~~*(v)* except for maps, not contain any color highlighting unless accompanied by a clean copy without highlighting.~~]

[~~(D) As provided in this section, an HMO may submit some filings as provided in §7.201 of this title (relating to Forms Filings).~~]

[~~(E) As provided in this section, an HMO may submit some filings as provided in §11.203(a) of this title (relating to Revisions During Review Process).~~]

[~~(2) Identifying form numbers required. Each item required to be filed by paragraphs (4) and (5) of this section must be identified by a printed unique form number, adequate to distinguish it from other items. The identifying form numbers must be composed of a total of no more than 40 letters, numbers, symbols, or spaces.~~]

[~~(A) The identifying form number must appear in the lower left-hand corner of the page. In the case of a multiple-page document, the identifying form number must only appear on the lower left-hand corner of the first page, and page numbers should appear on subsequent pages.~~]

[~~(B) If an item is to be replaced or revised after issuance of a certificate of authority, a new identifying form number must be assigned.~~]

[~~*(i)* A change in address or phone number on a form will not require a new identifying form number.~~]

[~~*(ii)* A new edition date added to the original identifying form number is an acceptable way of revising the number so that it is identifiable from any previously approved item; for example, if "G-100" was the originally approved number, then the revision may be numbered "G-100 12/79."~~]

[(iii) ~~Changing the case of the suffix is not considered to be a change in the number; for example, "ED" and "ed," or "REV" and "rev" are the same for form numbering purposes.~~]

[~~(3) Attachments for filings. Filings required by paragraphs (4)(A) and (B) and (5)(A) and (B) of this section must be accompanied by the following:~~]

[~~(A) an HMO certification and transmittal form for each new, revised, or replaced item;~~]

[~~(B) the supporting documentation considered necessary by the commissioner to review the filing and, for filings submitted on paper, a cover letter which includes the following:~~]

[(i) ~~company name;~~]

[(ii) ~~form numbers that are being submitted; and~~]

[(iii) ~~a paragraph that describes the type of filing being submitted, along with any additional information that would aid in processing the filing, including the reasons for submitting the filing; and~~]

[~~(C) the applicable filing fee as determined by §7.1301 of this title (relating to Regulatory Fees), unless the filing is made electronically through the NAIC's System for Electronic Rate and Form Filing, in which case the fees should not be attached to the filing. For filings made electronically, the department will send an invoice for the fees, and the HMO must pay, as provided in §7.1302 of this title (relating to Billing System).~~]

(c) [~~(4)~~] Filings requiring approval. After issuance of a certificate of authority, each HMO must file with the commissioner, using the method specified below, a written request to implement or modify the following operations or documents and receive the commissioner's approval before putting the modifications into effect:

(1) as provided in Chapter 3, Subchapter A, of this title:

[~~(A) electronically through the NAIC's System for Electronic Rate and Form Filing:~~]

(A) [~~(i)~~] evidence of coverage filings, as described in §11.501 of this title (relating to Contents of the Evidence of Coverage);

(B) [~~(ii)~~] a description and a map of the service area, with key and scale, which must identify the county or counties or portions of counties to be served;

(C) [~~(iii)~~] the written description of health care plan terms and conditions made available to any current or prospective group contract holder and current or prospective enrollee of the HMO, including the member handbook for all plans other than Children's Health Insurance Program (CHIP) plans in compliance with the requirements of Insurance Code §843.201, [~~(~~]concerning Disclosure of Information About Health Care Plan Terms, [~~)~~] and §11.1600 of this title (relating to Information to Prospective and Current Contract Holders and Enrollees); and

(D) [~~(iv)~~] any material change in the HMO's emergency care procedures;

[~~(B) on paper or electronically through the NAIC's System for Electronic Rate and Form Filing or any other method acceptable to the department:~~]

(E) [~~(i)~~] any material change in network configuration; and

(F) [~~(ii)~~] if a material change in the network configuration results in the HMO's inability to comply with the network adequacy standards described in §11.1607 of this title (relating to Accessibility and Availability Requirements), an access plan that complies with that section;

(2) [~~(C)~~] as provided in §7.201 of this title (relating to Forms Filings):

(A) [~~(i)~~] the form of all contracts described in §11.204(14)(A), (C), (D), and (E) of this title, including any amendments to those contracts and prior notification of the cancellation of any management contracts in §11.204(14)(E) of this title;

(B) [~~(ii)~~] the form of all contracts or subcontracts between affiliated physician and provider groups with the individual members of the groups providing health care services to the HMO's enrollees described in §11.204(14)(B) of this title, including any amendments to those contracts;

(C) [~~(iii)~~] any new or revised loan agreements or amendments documenting loans made by the HMO to any affiliated person or to any medical or other health care physician or provider, whether providing services currently, previously, or potentially in the future, [~~;~~] and any guarantees of any affiliated person's, physician's, or provider's obligations to any third party;

(D) [~~(iv)~~] any agreement by which an affiliate agrees to handle an HMO's investments under §11.806 of this title (relating to Investment Management by Affiliate Corporation);

(E) [~~(v)~~] any change in the physical address of the books and records described in §11.205 of this title (relating to Additional Documents to be Available for Review);

(F) [~~(vi)~~] any change to any of the requirements for guarantees under §11.810 of this title (relating to Guarantee from a Sponsoring Organization);

(G) [~~(vii)~~] any insurance contracts or amendments, guarantees, or other protection against insolvency, including the stop-loss or reinsurance agreements, if changing the carrier or description of coverage, between the HMO and affiliates, as described in §11.204(16) of this title; and

(H) [~~(viii)~~] modifications to any type of affiliate compensation arrangements, such as compensation based on fee-for-service arrangements, risk-sharing arrangements, or capitated risk arrangements, made to physicians and providers in exchange for the provision of, or the arrangement to provide health care services to, enrollees, including any financial incentives for physicians and providers;

(3) [~~(D)~~] as provided in §11.203(a) of this title, a copy of any proposed amendment to basic organizational documents, bylaws, rules, or any similar document regulating the conduct of the internal affairs of the applicant and, if the approved amendment must be filed with the secretary of state, a certified copy of the amendment with the file mark of the secretary of state; and

(4) [~~(E)~~] as provided in Chapter 11, Subchapter B, of this title (relating to Name Application Procedure), any name or assumed name on a form, as specified in §11.105 of this title (relating to Use of the Term "HMO," Service Marks, Trademarks, Assumed Name).

(d) [~~(5)~~] Filings for review or information. Material filed under this subsection [~~paragraph~~] is not to be considered approved[~~,~~] but may be subject to review for compliance with Texas law and consistency with other HMO documents. [~~Each item filed under this paragraph must be accompanied by a completed HMO certification and transmittal form in addition to those attachments required under paragraph (3) of this section.~~] Within 30 days of the effective date, an HMO must file with the commissioner, for review or information, deletions and modifications to the following previously approved or filed operations and documents:

(1) as provided in Chapter 3, Subchapter A, of this title:

[~~(A) electronically through the NAIC's System for Electronic Rate and Form Filing:~~]

(A) [~~(i)~~] the formula or method for calculating the schedule of charges as specified in Chapter 11, Subchapter H, of this title (relating to Schedule of Charges);

(B) [~~(ii)~~] any modification of drug coverage under Insurance Code §1369.0541, [~~(~~]concerning Modification of Drug Coverage Under Plan[~~)~~]; and

(C) [~~(iii)~~] the member handbook for CHIP plans, together with a certification from the HMO that the handbook has been approved by the Texas Health and Human Services Commission and a copy of the document approving the handbook;

[~~(B) on paper or electronically through the NAIC's System for Electronic Rate and Form Filing or any other method acceptable to the department:~~]

(D) [~~(i)~~] a copy of the form of any new contract or subcontract or any substantive change to previously filed copies of forms of all contracts between the HMO and any physician or provider described in §11.204(14)(B) of this title, and copies of forms of all contracts between the HMO and an insurer or group hospital service corporation to offer indemnity benefits, whether used with all contracts or on an individual basis. All copies of amended contracts must be marked to indicate revisions. In addition, the HMO must answer all questions listed on the HMO certification and transmittal form;

(E) [~~(ii)~~] a copy of the executed agreement between the HMO and any delegated entities and delegated networks as defined in §11.2602 of this title (relating to Definitions); and

(F) [~~(iii)~~] any change in the quality assurance program, including the peer review program, as required by Insurance Code §843.082(1), [~~(~~]concerning Requirements for Approval of Application,[~~)~~] or §843.102, [~~(~~]concerning Health Maintenance Organization Quality Assurance[~~)~~], with descriptions of arrangements for sharing pertinent medical records between physicians and providers contracting or subcontracting under §11.204(14)(B) of this title with the HMO and ensuring the records' confidentiality;

(2) [~~(C)~~] as provided in §7.201 of this title, a copy of any notice of cancellation of fidelity bonds, new fidelity bonds, or amendments to fidelity bonds, for officers and employees, including notarized certification by the corporate secretary or corporate president that the material is true, accurate, and complete, as described in §11.204(7) and (14)(D) of this title;

(3) [~~(D)~~] as provided in §11.203(a) of this title:

(A) [~~(i)~~] a list of officers and directors and a biographical data sheet for each person listed on the officers and directors page under Insurance Code §843.078(b), [~~(~~]concerning Contents of Application,[~~)~~] and biographical data forms in §11.204(5)(A), (B), and (C) of this title; and

(B) [~~(ii)~~] any change of the certificate of authority for a domestic or foreign HMO[~~,~~] and, if a foreign HMO, a certified copy of the certificate of authority and power of attorney.

(e) [~~(6)~~] Approval period. Any modification for which the commissioner's approval is required may be considered approved, unless it is disapproved within 30 days from the date the filing is determined by the department to be complete. The commissioner may postpone the action for a period not to exceed 30 days, as necessary for proper consideration. The department will notify the HMO in writing if it postpones a decision on a modification.

(f) [~~(7)~~] Approval, disapproval, and requests for corrections [~~pending~~].

(1) [~~(A)~~] Filings requiring approval under subsection (c)(1)(A) - (C) [~~paragraph (4)(A)(i)- (iii)~~] of this section will be approved or disapproved in writing within the period set forth in subsection (e) [~~paragraph (6)~~] of this section unless, before the department's issuance of notice of proposed negative action under §1.704(a) of this title (relating to Summary Procedure; Notice), the HMO has been contacted by the department regarding corrections or additional information necessary for commissioner's approval, and files a written consent to waive the approval period with the department.

(2) [~~(B)~~] The department may waive the approval period on its receipt of the HMO's written consent.

[~~(C) The department may hold the filing in a pending status for a reasonable period, but not more than 15 calendar days after the date of the department's request.~~]

(3) [~~(D)~~] Consistent with §3.23 of this title (relating to Acceptance, Rejection, and Disposition of Filings), if [~~If~~] the HMO has not addressed the department's request for corrections or additional information within 10 business days, then the department may consider the filing withdrawn from review [~~15 calendar days, then the HMO may withdraw the filing before the end of the applicable review period, which is either the 30th day after filing or the 60th day after filing for an extended review period~~].

§11.302. Service Area Expansion or Reduction Applications.

(a) An HMO must file an application with the department for approval before the HMO may expand or reduce an existing service area[~~, reduce an existing service area,~~] or add a new service area.

(b) For the purposes of an application to expand or reduce an existing service area[~~, reduce an existing service area,~~] or add a new service area, an HMO must file the following items:

(1) a description and a map with key and scale, showing both the currently approved service area and the proposed new service area, as required by §11.204(13) of this title (relating to Contents);

(2) network configuration information, as required by §11.204(19) of this title;

(3) combined financial projections, as described in §11.204(10)(B) of this title, including a breakdown of the income statement for existing business, and the effect of the proposed service area expansion or reduction; and

(4) if any of the items specified in §11.301 of this title (relating to Filing Requirements) are changed by a service area expansion or reduction application, the new item or any amendments to an existing item must be filed as specified in §11.301 [~~for approval or filed for information, as outlined in §11.301(4) and (5)~~] of this title.

(c) The department will not accept an application for review until the application is complete. An application to modify the certificate of authority that requires the commissioner's approval under Insurance Code §843.080, [~~(~~]concerning Modification or Amendment of Application Information, [~~)~~] or Chapter 1271, Subchapter C, [~~(~~]concerning Commissioner Approval,[~~)~~] is considered complete when all information required by §11.301 of this title; this section; and Chapter 11, Subchapter T, of this title (relating to Quality of Care) that is reasonably necessary for a final determination by the department has been filed with the department.

(d) Before consideration of a service area expansion or reduction application, an HMO must comply with the requirements of Chapter 11, Subchapter T, of this title, in the existing service areas and in the proposed service areas.

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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SUBCHAPTER F. EVIDENCE OF COVERAGE

28 TAC §§11.501 - 11.504, 11.506

STATUTORY AUTHORITY.

TDI proposes amendments to §§11.501 - 11.504 and 11.506 under Insurance Code §§843.151, 1271.004, 1501.010, 1702.006, and 36.001.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code related to HMOs and ensure that enrollees have adequate access to health care services.

Insurance Code §1271.004 authorizes the commissioner to adopt rules necessary to implement the section and meet the minimum requirements of federal law, including regulations.

Insurance Code §1501.010 directs the commissioner to adopt rules necessary to implement Insurance Code Chapter 1501 and meet the minimum requirements of federal law, including regulations.

Insurance Code §1702.006 authorizes the commissioner to adopt reasonable rules necessary to implement Insurance Code Chapter 1702.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §§11.501 - 11.504 and 11.506 implement Insurance Code Chapters 843 and 1271. The amendments to §11.504 implement Insurance Code Chapter 1702. The amendments to §11.506 implement Insurance Code §§1271.103, 1501.157 and 1501.607.

§11.501. Contents of the Evidence of Coverage.

(a) An evidence of coverage or an amendment to an evidence of coverage may not be issued, delivered, or used in Texas unless it has been filed for review and has received the approval of the commissioner. The following forms are always considered to be part of the evidence of coverage:

(1) group agreement;

(2) certificate issued to each subscriber who is enrolled through a group (the same form may be used as both the group agreement and the group certificate);

(3) conversion and individual agreements;

(4) group, conversion, and individual applications for coverage;

(5) group subscriber enrollment form;

(6) riders, endorsements, amendments, and letters of agreement;

(7) matrix filings;

(8) schedule of benefits; and

(9) any other form attached to or made a part of the evidence of coverage.

(b) Each of the forms described in subsection (a) of this section must be identified with a unique form number and individually approved by the commissioner before being issued, delivered, or used in Texas, consistent with the filing requirements under Chapter 3, Subchapter A, of this title (relating to Submission Requirements for Filings and Departmental Actions Related to Such Filings). [~~Each form described in subsection (a) of this section will be considered a separate evidence of coverage filing and, except as provided in subsection (c) of this section, is subject to the filing fee prescribed in §7.1301(g)(4) of this title (relating to Regulatory Fees) for initial submissions.~~]

[~~(c) The filing fee for matrix filings is $100 per individual evidence of coverage provision, with a maximum fee of $500, whether the filing is an initial submission or a resubmission.~~]

§11.502. Filing Requirements for Evidence of Coverage Filed as Part of an Application for a Certificate of Authority.

(a) The filing and formatting requirements of §11.301[~~(1)(B) and (2)(A)~~] of this title (relating to Filing Requirements) and Chapter 3, Subchapter A, (relating to Submission Requirements for Filings and Departmental Actions Related to Such Filings) apply to an evidence of coverage[~~,~~] when filed as part of the application for a certificate of authority.

(b) During the review period, an applicant must submit each new page or form reflecting any revisions.

(c) No later than the 10th calendar day after approval or issuance of a certificate of authority, an HMO must file a clean, final version of the evidence of coverage with revisions and a copy of the original version of the evidence of coverage showing the new or revised text as redlined. The submission must include:

(1) an explanation that the evidence of coverage was submitted as part of the application for a certificate of authority and is being submitted in compliance with subsection (c) of this section;

(2) a certification that the forms are without deviation and are the exact final evidence of coverage versions that resulted in approval of the certificate of authority application; and

(3) the final version of an approved service area description and map as attached to the evidence of coverage, with key and scale, which must identify the county or counties or portions of counties to be served.

(d) Any discrepancy in content between the final document to be issued and the approved version is grounds for revocation of a certificate of authority.

§11.503. Filing Requirements for Evidence of Coverage after Receipt of Certificate of Authority.

(a) After receipt of a certificate of authority, no evidence of coverage filing may be amended or altered in any manner, and no new evidence of coverage filing may be used, unless the proposed new or revised evidence of coverage filing has been filed for review and has received the commissioner's approval [~~of the commissioner~~]. The evidence of coverage must be filed as provided in Chapter 3, Subchapter A, of this title (relating to Submission Requirements for Filings and Departmental Actions Related to Such Filings) and §11.301 of this title (relating to Filing Requirements).

(b) The department will notify the HMO of the department's action in compliance with §1.704 of this title (relating to Summary Procedure; Notice).

(c) The department will base its approval or disapproval on the content of drafts submitted to the department. [~~Filings must comply with the specifications described in §11.505 of this title (relating to Specifications for the Evidence of Coverage and Matrix Filings).~~] Any discrepancy in content between the final document to be issued and the approved draft is grounds for revocation of the certificate of authority.

[~~(d) The review period for an evidence of coverage filing begins on the date an acceptable, typed draft of the form is received.~~]

[~~(e) The review period may be extended on 30-days written notice of extension to the HMO before the expiration of the initial review period.~~]

[~~(f) At the end of the review period, the evidence of coverage filing is considered approved unless it has already been withdrawn, affirmatively approved, or disapproved by the commissioner.~~]

§11.504. Disapproval of Evidence of Coverage.

(a) If the department disapproves any portion of an evidence of coverage, the department will specify the reason for the disapproval. The department may disapprove any form or withdraw any previous approval if a form:

(1) fails to meet the requirements of Insurance Code Chapter 1271, [~~(~~]concerning Benefits Provided by Health Maintenance Evidence of Coverage; Charges;[~~),~~] this chapter; Chapter 3, Subchapter A, of this title (relating to Submission Requirements for Filings and Departmental Actions Related to Such Filings); [~~,~~] or other applicable statutes and regulations;

(2) does not properly describe the services and benefits;

(3) contains any statements that are unclear, untrue, unjust, unfair, inequitable, misleading, or deceptive or that violate Insurance Code Chapters 541, [~~(~~]concerning Unfair Methods of Competition and Unfair or Deceptive Acts or Practices;[~~),~~] 542, [~~(~~]concerning Processing and Settlement of Claims;[~~),~~] 543, [~~(~~]concerning Prohibited Practices Related to Policy or Certificate of Membership;[~~),~~] 544, [~~(~~]concerning Prohibited Discrimination;[~~), or~~] 547, [~~(~~]concerning False Advertising by Unauthorized Insurers;[~~),~~] or Insurance Code Chapter 1702, concerning Regulation Of Certain Trade Practices, or any other applicable laws [~~law~~] or regulations;

(4) provides services or benefits that are too restrictive to achieve the form's purpose [~~for which the form was designed~~];

(5) fails to attain a reasonable degree of readability, simplicity, and conciseness;

(6) provides services or benefits or contains other provisions that would endanger the solvency of the issuing HMO; or

(7) is contrary to the laws or policies [~~law or policy~~] of this state.

(b) If the department disapproves a form, the HMO may file a written request for a hearing on the matter under Insurance Code §1271.102, [~~(~~]concerning Procedures for Approval of Form of Evidence of Coverage or Group Contract; Withdrawal of Approval[~~)~~].

§11.506. Mandatory Contractual Provisions; Group, Individual, and Conversion Agreement and Group Certificate.

(a) Each enrollee residing in Texas is entitled to an evidence of coverage under a health care plan. An HMO may deliver the evidence of coverage electronically but must provide a paper copy on request.

(b) Each group, individual, and conversion contract and group certificate must contain the following provisions:

(1) Face page. Where applicable, the HMO's name, address, website address, and phone number [~~of the HMO~~] must appear. The toll-free number referred to in Insurance Code §521.102, concerning Health Maintenance Organization or Insurer Toll-Free Number for Information and Complaints, must appear on the face page.

(A) The face page of an agreement is the first page that contains any written material.

(B) If the agreements or certificates are in booklet form, the first page inside the cover is considered the face page.

(C) The HMO must provide the information regarding the toll-free number referred to in Insurance Code Chapter 521, Subchapter C, concerning Health Maintenance Organization or Insurer Toll-Free Number for Information and Complaints, in compliance with §1.601 of this title (relating to Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures).

(2) Benefits. A schedule of all health care services that are available to enrollees under the basic, limited, or single service plan must be included, together with any copayments or deductibles and a description of where and how to obtain services. An HMO may use a variable copayment or deductible schedule. The schedule must clearly indicate the benefit it applies to [~~which it applies~~].

(A) Copayments. An HMO may require copayments to supplement payment for health care services.

(i) Each basic health care service HMO may establish one or more reasonable copayment options. A reasonable copayment option may not exceed 50% of the total cost of services provided.

(ii) A basic health care service HMO may not impose copayment charges on any enrollee in any calendar year[~~,~~] when the copayments made by the enrollee in that calendar year total 200% of the total annual premium cost that [~~which~~] is required to be paid by or on behalf of that enrollee. This limitation applies only if the enrollee demonstrates that copayments in that amount have been paid in that year.

(iii) The HMO must state the copayment;[~~,~~] the limit on enrollee copayments;[~~,~~] and the enrollee reporting responsibility in the group, individual, or conversion agreement and group certificate.

(B) Deductibles. A deductible must be for a specific dollar amount of the cost of the basic, limited, or single health care service. Except for a consumer choice benefit plan authorized by Insurance Code Chapter 1507, concerning Consumer Choice of Benefits Plans, an HMO may not charge a deductible for services received in the HMO's delivery network. Except in cases involving emergency care and services that are not available in the HMO's delivery network, as described in §11.1611 of this title (relating to Out-of-Network Claims; Non-Network Physicians and Providers), an HMO may charge an out-of-network deductible for services performed out of the HMO's service area or for services performed by a physician or provider who is not in the HMO's delivery network.

(C) Facility-based physicians or other health care practitioners. In compliance with Insurance Code §1456.003, concerning Required Disclosure: Health Benefit Plan, a statement must be included that is consistent with §21.4903 of this title (relating to Out-of-Network Notice and Disclosure Requirements) and that provides notice that:

(i) a facility-based physician or other health care practitioner may not be included in the health benefit plan's provider network;

(ii) unless the enrollee elects to receive out-of-network care and signs a waiver of balance billing protections, a non-network facility-based physician or other health care practitioner may not balance bill the enrollee for amounts not paid by the health benefit plan for covered services or supplies provided in a network facility; and

(iii) if the enrollee receives a balance bill, the enrollee should contact the HMO.

(D) Immunizations. An HMO may not charge a copayment or deductible for immunizations as described in Insurance Code Chapter 1367, Subchapter B, concerning Childhood Immunizations, for a child from birth through the date the child is 6 years of age, except that a small employer health benefit plan as defined by Insurance Code §1501.002, concerning Definitions, that covers the immunizations may charge a copayment, and a consumer choice benefit plan under Insurance Code Chapter 1507 may charge a copayment and a deductible.

(3) Cancellation and nonrenewal. A statement must be included that specifies the following grounds for cancellation and nonrenewal of coverage and the minimum notice period that will apply.

(A) Unless otherwise prohibited by law, an HMO may cancel coverage of a subscriber in a group and the subscriber's enrolled dependents under circumstances described in this subparagraph, as [~~so~~] long as the circumstances do not include health status-related factors:

(i) for nonpayment of amounts due under the contract, after not less than 30-days' written notice, except no additional written notice will be required for failure to pay premium;

(ii) after not less than 15-days' written notice, in the case of fraud or intentional misrepresentation of a material fact, except as described in paragraph (13) of this subsection;

(iii) after not less than 15-days' written notice, in the case of fraud in the use of services or facilities;

(iv) immediately, subject to continuation of coverage and conversion privilege provisions, if applicable, for failure to meet eligibility requirements other than the requirement that the subscriber reside, live, or work in the service area; and

(v) after not less than 30-days' written notice, where the subscriber does not reside, live, or work in the HMO's service area [~~of the HMO~~] or area [~~for which~~] the HMO is authorized to do business in, but only if the HMO terminates coverage uniformly without regard to any health status-related factor of enrollees, except that an HMO may not cancel coverage for a child who is the subject of a medical support order because the child does not reside, live, or work in the service area.

(B) An HMO may cancel a group under circumstances described below, unless otherwise prohibited by law:

(i) for nonpayment of premium, at the end of the grace period as described in paragraph (12) of this subsection;

(ii) in the case of fraud on the part of the group, after 15-days' written notice;

(iii) for employer groups, for violation of participation or contribution rules, under §26.8 of this title (relating to Guaranteed Issue; Contribution and Participation Requirements) and §26.303 of this title (relating to Coverage Requirements);

(iv) for employer groups, under §26.16 of this title (relating to Refusal to Renew and Application to Reenter Small Employer Market) and §26.309 of this title (relating to Refusal to Renew and Application to Reenter Large Employer Market) on discontinuance of:

(I) each of its small or large employer coverages; or

(II) a particular type of small or large employer coverage;

(v) where no enrollee resides, lives, or works in the HMO's service area [~~of the HMO~~] or area [~~for which~~] the HMO is authorized to do business in, but only if the coverage is terminated uniformly without regard to any health status-related factor of enrollees after 30-days' written notice; and

(vi) if an employer's membership [~~of an employer~~] in an association ceases, and if coverage is terminated uniformly without regard to the health status of an enrollee, after 30-days' written notice.

(C) A group or individual contract holder may cancel a contract in the case of a material change by the HMO to any provisions required to be disclosed to contract holders or enrollees under this chapter or other law after not less than 30-days' written notice to the HMO.

(D) Unless otherwise prohibited by law, an [~~An~~] HMO may cancel an individual contract [~~under circumstances described below, unless otherwise prohibited by law~~]:

(i) for nonpayment of premiums under the terms of the contract, including any timeliness provisions, without written notice, subject to paragraph (12) of this subsection;

(ii) in the case of fraud or intentional material misrepresentation, except as described in paragraph (13) of this subsection, after not less than 15-days' written notice;

(iii) in the case of fraud in the use of services or facilities, after not less than 15-days' written notice;

(iv) after not less than 30-days' written notice where the subscriber does not reside, live, or work in the HMO's service area [~~of the HMO~~] or area [~~in which~~] the HMO is authorized to do business in, but only if coverage is terminated uniformly without regard to any health status-related factor of enrollees, except that an HMO may not cancel coverage for a child who is the subject of a medical support order because the child does not reside, live, or work in the service area;

(v) in case of termination by discontinuance of a particular type of individual coverage by the HMO in that service area, but only if coverage is discontinued uniformly without regard to health status-related factors of enrollees and dependents of enrollees who may become eligible for coverage, after 90-days' written notice, in which case the HMO must offer to each enrollee on a guaranteed-issue basis any other individual basic health care coverage offered by the HMO in that service area; and

(vi) in case of termination by discontinuance of all individual basic health care coverage by the HMO in that service area,

but only if coverage is discontinued uniformly without regard to health status-related factors of enrollees and dependents of enrollees who may become eligible for coverage, after 180-days' written notice to the commissioner and the enrollees, in which case the HMO may not re-enter the individual market in that service area for five years beginning on the date of discontinuance of the last coverage not renewed.

(4) Claim payment procedure. A provision that sets forth the procedure for paying claims, including any time frame for payment of claims that must comply with Insurance Code Chapter 542, Subchapter B, concerning Prompt Payment of Claims; Insurance Code §1271.005, concerning Applicability of Other Law; and rules adopted under these Insurance Code provisions.

(5) Complaint and appeal procedures. A description of the HMO's complaint and appeal process available to complainants, including internal adverse determination appeal and independent review procedures under Insurance Code Chapter 4201, concerning Utilization Review Agents, and Chapter 19, Subchapter R, of this title (relating to Utilization Reviews for Health Care Provided Under a Health Benefit Plan or Health Insurance Policy).

(6) Definitions. A provision defining any words in the evidence of coverage that have other than the usual meaning. Definitions must be in alphabetical order.

(7) Effective date. A statement of the effective date requirements of various kinds of enrollees.

(8) Eligibility. A statement of the eligibility requirements for membership.

(A) The statement must provide that the subscriber must reside, live, or work in the service area and the legal residence of any enrolled dependents must be the same as the subscriber, or the subscriber must reside, live, or work in the service area and the residence of any enrolled dependents must be:

(i) in the service area with the person having temporary or permanent conservatorship or guardianship of the dependents, including adoptees or children who have become the subject of a suit for adoption by the enrollee, where the subscriber has legal responsibility for the health care of the dependents;

(ii) in the service area under other circumstances where the subscriber is legally responsible for the health care of the dependents;

(iii) in the service area with the subscriber's spouse; or

(iv) anywhere in the United States for a child whose coverage under a plan is required by a medical support order.

(B) The statement must provide the conditions under which dependent enrollees may be added to those originally covered.

(C) The statement must describe any limiting age for subscriber and dependents.

(D) The statement must provide a clear statement regarding the coverage of newborn children.

(i) No evidence of coverage may contain any provision excluding or limiting coverage for a newborn child of the subscriber or the subscriber's spouse.

(ii) Congenital defects must be treated the same as any other illness or injury [~~for which~~] coverage is provided for.

(iii) The HMO may require that the subscriber notify the HMO not later than the 60th day [~~during the initial 31 days~~] after the birth of the child and pay any premium required to continue coverage for the newborn child.

(iv) The HMO may not require that a newborn child receive health care services only from network physicians or providers after the birth if the newborn child is born outside the HMO service area due to an emergency or born in a non-network facility to a mother who does not have HMO coverage, but it may require that the newborn be transferred to a network facility at the HMO's expense and, if applicable, to a network provider when the transfer is medically appropriate as determined by the newborn's treating physician.

(v) A newborn child of the subscriber or subscriber's spouse is entitled to coverage during the initial 60 [~~31~~] days following birth. The HMO must allow an enrollee 60 [~~31~~] days after the birth of the child to notify the HMO, either verbally or in writing, of the addition of the newborn as a covered dependent.

(E) The statement must include a clear statement regarding the coverage of the enrollee's grandchildren that complies with Insurance Code §1201.062, concerning Coverage for Certain Children in Individual or Group Policy or in Plan or Program, and §1271.006, concerning Benefits to Dependent Child and Grandchild.

(9) Emergency services. A description of how to obtain services in emergency situations, including:

(A) what to do in case of an emergency occurring outside or inside the service area;

(B) a statement of any restrictions or limitations on out-of-area services;

(C) a statement that the HMO will provide for any medical screening examination or other evaluation required by state or federal law that is necessary to determine whether an emergency medical condition exists in a hospital emergency facility or comparable facility;

(D) a statement that necessary emergency care services will be provided, including the treatment and stabilization of an emergency medical condition;

(E) a statement that where stabilization of an emergency condition originated in a hospital emergency facility or in a comparable facility, as defined in subparagraph (F) of this paragraph, treatment subject to stabilization must be provided to enrollees as approved by the HMO, provided that:

(i) the HMO must approve or deny coverage of post-stabilization care as requested by a treating physician or provider; and

(ii) the HMO must approve or deny the treatment within the time appropriate to the circumstances relating to the delivery of the services and the condition of the patient, but in no case may approval or denial exceed one hour from the time of the request; and

(F) for purposes of this paragraph, "comparable facility" includes the following:

(i) any stationary or mobile facility, including[~~, but not limited to,~~] Level V Trauma Facilities and Rural Health Clinics that have licensed or certified or both licensed and certified personnel and equipment to provide Advanced Cardiac Life Support consistent with American Heart Association and American Trauma Society standards of care and a free-standing emergency medical care facility as that term is defined in Insurance Code §843.002, concerning Definitions;

(ii) for purposes of emergency care related to mental illness, a mental health facility that can provide 24-hour residential and psychiatric services and that is:

(I) a facility operated by the Texas Department of State Health Services;

(II) a private mental hospital licensed by the Texas Department of State Health Services;

(III) a community center as defined by Texas Health and Safety Code §534.001, concerning Establishment;

(IV) a facility operated by a community center or other entity the Texas Department of State Health Services designates to provide mental health services;

(V) an identifiable part of a general hospital in which diagnosis, treatment, and care for persons with mental illness is provided and that is licensed by the Texas Department of State Health Services; or

(VI) a hospital operated by a federal agency.

(10) Entire contract, amendments. A provision stating that the form, applications, if any, and any attachments constitute the entire contract between the parties and that, to be valid, any change in the form must be approved by an officer of the HMO and attached to the affected form and that no agent has the authority to change the form or waive any of the provisions.

(11) Exclusions and limitations. A provision setting forth any exclusions and limitations on basic, limited, or single health care services.

(12) Grace period. A provision for a grace period of at least 30 days for the payment of any premium due after the first premium payment during which the coverage remains in effect. An HMO may add a charge to the premium for late payments received within the grace period.

(A) If payment is not received within the 30 days, coverage may be canceled after the 30th day and the terminated members may be held liable for the cost of services received during the grace period, if this requirement is disclosed in the agreement.

(B) Despite subparagraph (A) of this paragraph, provisions regarding the liability of group contract holder for an enrollee's premiums must comply with Insurance Code §843.210, concerning Terms of Enrollee Eligibility, and §21.4003 of this title (relating to Group Policyholder, Group Contract Holder, and Carrier Premium Payment and Coverage Obligations).

(13) Incontestability:

(A) All statements made by the subscriber on the enrollment application are considered representations and not warranties. The statements are considered truthful and made to the best of the subscriber's knowledge and belief. A statement may not be used in a contest to void, cancel, terminate, or nonrenew an enrollee's coverage or reduce benefits unless:

(i) it is in a written enrollment application signed by the subscriber; and

(ii) a signed copy of the enrollment application is or has been furnished to the subscriber or the subscriber's personal representative.

(B) An individual contract or group certificate may [~~only~~] be contested only because of fraud or intentional misrepresentation of material fact made on the enrollment application. For small employer coverage, the misrepresentation must be other than a misrepresentation related to health status.

(C) For a group contract or certificate, the HMO may increase its premium to the appropriate level if the HMO determines that the subscriber made a material misrepresentation of health status on the application. The HMO must provide the contract holder 31-days' prior written notice of any premium rate change.

(14) Out-of-network services. Each contract between an HMO and a contract holder must provide that if medically necessary covered services are not available through network physicians or providers, the HMO must, on the request of a network physician or provider, within the time appropriate to the circumstances relating to the delivery of the services and the condition of the patient, but in no event to exceed five business days after receipt of reasonably requested documentation, allow a referral to a non-network physician or provider and must fully reimburse the non-network provider at the usual and customary or an agreed rate.

(A) For purposes of determining whether medically necessary covered services are available through network physicians or providers, the HMO must offer its entire network, rather than limited provider networks within the HMO delivery network.

(B) The HMO may not require the enrollee to change primary care physician or specialist providers to receive medically necessary covered services that are not available within the limited provider network.

(C) Each contract must further provide for a review by a specialist of the same or similar specialty as the type of physician or provider to whom a referral is requested before the HMO may deny a referral.

(15) Schedule of charges. A statement that discloses the HMO's right to change the rate charged with 60-days' written notice under Insurance Code §843.2071, concerning Notice of Increase in Charge for Coverage, and Insurance Code Chapter 1254, concerning Notice of Rate Increase for Group Health and Accident Coverage.

(16) Service area. A description and a map of the service area, with key and scale, that identifies the county, or counties, or portions of counties to be served, and indicates primary care physicians, hospitals, and emergency care sites. A ZIP code map and a physician and provider list may be used to meet the requirement.

(17) Termination due to attaining limiting age. A provision that a child's attainment of a limiting age does not operate to terminate the child's coverage while that child is incapable of self-sustaining employment due to intellectual disability or physical disability, and chiefly dependent on the subscriber for support and maintenance. The HMO may require the subscriber to furnish proof of incapacity and dependency within 31 days of the child's attainment of the limiting age and subsequently as required, but not more frequently than annually following the child's attainment of the limiting age.

(18) Termination due to student dependent's change in status. A provision regarding coverage of student dependents that complies with Insurance Code Chapter 1503, concerning Coverage of Certain Students, if applicable.

(19) Conformity with state law. A provision that if the agreement or certificate contains any provision or part of a provision not in conformity with Insurance Code Chapter 1271, concerning Benefits Provided by Health Maintenance Organizations; Evidence of Coverage; Charges, or other applicable laws, the remaining provisions and parts of provisions that can be given effect without the invalid provision or part of a provision are not rendered invalid but must be construed and applied as if they were in full compliance with Insurance Code Chapter 1271 and other applicable laws.

(20) Conformity with Medicare supplement minimum standards and long-term care minimum standards. Each group, individual, and conversion agreement, and group certificate must comply with Chapter 3, Subchapter T, of this title (relating to Minimum Standards for Medicare Supplement Policies), referred to in this paragraph as Medicare supplement rules, and Chapter 3, Subchapter Y, of this title (relating to Standards for Long-Term Care Insurance, Non-Partnership and Partnership Long-Term Care Insurance Coverage Under Individual and Group Policies and Annuity Contracts, and Life Insurance Policies That Provide Long-Term Care Benefits Within the Policy), referred to in this paragraph as long-term care rules, where applicable. If there is a conflict between the Medicare supplement or long-term care rules, or both, and the HMO rules, the Medicare supplement or long-term care rules will govern to the exclusion of the conflicting provisions of the HMO rules. Where there is no conflict, an HMO must follow the Medicare supplement, the long-term care rules, and the HMO rules where applicable.

(21) Nonprimary care physician specialist as primary care physician. A provision that allows enrollees with chronic, disabling, or life-threatening [~~life threatening~~] illnesses to apply to the HMO's medical director to use a nonprimary care physician specialist as a primary care physician as set out in Insurance Code §1271.201, concerning Designation of Specialist as Primary Care Physician.

(22) Selected obstetrician or gynecologist. Group, individual, and conversion agreements, and group certificates, except small employer health benefit plans as defined by Insurance Code §1501.002, must contain a provision that permits an enrollee to select, in addition to a primary care physician, an obstetrician or gynecologist to provide health care services within the scope of the professional specialty practice of a properly credentialed obstetrician or gynecologist, and subject to the provisions of Insurance Code Chapter 1451, Subchapter F, concerning Access to Obstetrical or Gynecological Care. An HMO may not prevent an enrollee from selecting a family physician, internal medicine physician, or other qualified physician to provide obstetrical or gynecological care.

(A) An HMO must permit an enrollee who selects an obstetrician or gynecologist direct access to the health care services of the selected obstetrician or gynecologist without a referral by the enrollee's primary care physician or prior authorization or precertification from the HMO.

(B) Access to the health care services of an obstetrician or gynecologist includes:

(i) one well-woman examination per year;

(ii) care related to pregnancy;

(iii) care for all active gynecological conditions; and

(iv) diagnosis, treatment, and referral to a specialist within the HMO's network for any disease or condition within the scope of the selected professional practice of a properly credentialed obstetrician or gynecologist, including treatment of medical conditions concerning breasts.

(C) An HMO may require an enrollee who selects an obstetrician or gynecologist to select the obstetrician or gynecologist from within the limited provider network to which the enrollee's primary care physician belongs.

(D) An HMO may require a selected obstetrician or gynecologist to forward information concerning the medical care of the patient to the primary care physician. However, the HMO may not impose any penalty, financial or otherwise, on the obstetrician or gynecologist for failure to provide this information if the obstetrician or gynecologist has made a reasonable and good-faith effort to provide the information to the primary care physician.

(E) An HMO may limit an enrollee in the plan to self-referral to one participating obstetrician and gynecologist for both gynecological care and obstetrical care. The limitation must not affect the right of the enrollee to select the physician who provides that care.

(F) An HMO must include in its enrollment form a space in which an enrollee may select an obstetrician or gynecologist as set forth in Insurance Code Chapter 1451, Subchapter F. The enrollment form must specify that the enrollee is not required to select an obstetrician or gynecologist[~~,~~] but may instead receive obstetrical or gynecological services from the enrollee's primary care physician or primary care provider. The enrollee must have the right at all times to select or change a selected obstetrician or gynecologist. An HMO may limit an enrollee's request to change an obstetrician or gynecologist to no more than four changes in any 12-month period.

(G) An enrollee who elects to receive obstetrical or gynecological services from a primary care physician (a family physician, internal medicine physician, or other qualified physician) must adhere to the HMO's standard referral protocol when accessing other specialty obstetrical or gynecological services.

(23) Diagnosis of Alzheimer's disease. An HMO that provides for the treatment of Alzheimer's disease must provide that a clinical diagnosis of Alzheimer's disease under Insurance Code Chapter 1354, concerning Eligibility for Benefits for Alzheimer's Disease, by a physician licensed in this state satisfies any requirement for demonstrable proof of organic disease.

(24) Drug coverage. An agreement that covers prescription drugs must comply with Insurance Code Chapter 1369, concerning Benefits Related to Prescription Drugs and Devices and Related Services, and Chapter 21, Subchapter V, of this title (relating to Pharmacy Benefits), as applicable.

(25) Inpatient care by nonprimary care physician. If an HMO or limited provider network provides for an enrollee's care by a physician other than the enrollee's primary care physician while the enrollee is in an inpatient facility, for example, hospital or skilled nursing facility, a provision that on admission to the inpatient facility a physician other than the primary care physician may direct and oversee the enrollee's care.

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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28 TAC §11.505

STATUTORY AUTHORITY.

TDI proposes the repeal of §11.505 under Insurance Code §§843.151 and 36.001.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance

Code related to HMOs and ensure adequate access to health care services.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The repeal of §11.505 implements Insurance Code Chapter 1271.

§11.505. Specifications for Evidence of Coverage Including Insert Pages and Matrix Filings.

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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SUBCHAPTER H. SCHEDULE OF CHARGES

28 TAC §11.701

STATUTORY AUTHORITY.

TDI proposes amendments to §11.701 under Insurance Code §§843.151, 1271.253, 1698.051, and 36.001.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code as applicable to HMOs, including Insurance Code Chapter 1271.

Insurance Code §1271.253 provides that the commissioner may require the submission of any relevant information the commissioner considers necessary in determining whether to approve or disapprove a filing under Insurance Code Chapter 1271, Subchapter F.

Insurance Code §1698.051 requires that the commissioner by rule establish a process under which the commissioner will review individual and small group health benefit plan rates and rate changes for compliance with Insurance Code Chapter 1698 and other applicable state and federal laws, including 42 USC §§300gg, 300gg-94, and 18032(c) and those sections' implementing regulations, including rules establishing geographic rating areas.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §11.701 implement Insurance Code Chapter 1271 and Chapter 1698.

§11.701. Schedule of Charges Must be Filed Before Use.

(a) No schedule of charges, formula, or method for calculating the schedule of charges may be used until a copy of the formula or method for calculating the schedule of charges with supporting documentation has been filed with the commissioner, as required by §11.703 of this title (relating to Filings and Supporting Documentation) <u>and consistent with Chapter 3, Subchapter A of this title (relating to Submission Requirements For Filings and Departmental Actions Related to Such Filing)</u>.

(b) The schedule of charges must include all charges made for group, conversion, or individual coverage.

<u>(c) Any applicable schedule of charges must comply with the requirements under Chapter 3, Subchapter F, of this title (relating to Rate Review for Health Benefit Plans).</u>

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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SUBCHAPTER J. PHYSICIAN AND PROVIDER CONTRACTS AND ARRANGEMENTS

28 TAC §11.901, §11.902

STATUTORY AUTHORITY.

TDI proposes amendments to §11.901 and §11.902 under Insurance Code §§843.151, 4151.006, and 36.001.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code related to HMOs and ensure that enrollees have adequate access to health care services.

Insurance Code §4151.006 authorizes the commissioner to adopt rules that are fair, reasonable, and appropriate to augment and implement Insurance Code Chapter 4151, including rules establishing required contract provisions.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendment to §11.901(b)(12) implements Insurance Code §1203.153 The amendment to §11.901(h) implements Insurance Code Chapter 1369 and SB 1236. Section 11.901(i) implements Chapter 1451, Subchapter D. Section 11.902(a)(7) implements §1451.1545 and §1451.157. The amendment to §11.902(a)(8) implements Insurance Code §4151.155. The amendment to §11.902(b) implements Insurance Code §832.322.

§11.901. Required and Prohibited Provisions.

(a) Physician and provider contracts, subcontracts, and arrangements must include provisions regarding a hold-harmless clause as described in Insurance Code §843.361, concerning Enrollees Held Harmless.

(1) A hold-harmless clause is a provision in a physician or health care provider agreement that obligates the physician or provider to look only to the HMO and not its enrollees for payment for covered services (except as described in the evidence of coverage issued to the enrollee).

(2) In compliance with Insurance Code §843.002, concerning Definitions, relating to an "uncovered expense," if a physician or health care provider agreement contains a hold-harmless clause, then the costs of the services will not be considered uncovered health care expenses in determining amounts of deposits necessary for insolvency protection under Insurance Code §843.405, concerning Deposit with Comptroller.

(3) The following is an example of an approvable hold-harmless clause: "(Physician or Provider) agrees that in no event, including, but not limited to, nonpayment by the HMO, HMO insolvency, or breach of this agreement, may (Physician or Provider) bill, charge, collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against subscriber, enrollee, or persons other than the HMO acting on their behalf for services provided under this agreement. This provision does not prohibit collection of supplemental charges or copayments made in compliance with the terms of (applicable agreement) between the HMO and subscriber or enrollee. (Physician or Provider) further agrees that:

(A) this provision will survive the termination of this agreement regardless of the cause giving rise to termination and must be construed to be for the benefit of the HMO subscriber or enrollee; and

(B) this provision supersedes any oral or written contrary agreement now existing or later entered into between (Physician or Provider) and subscriber, enrollee, or persons acting on their behalf. Any modification, addition, or deletion to the provisions of this clause will be effective on a date no earlier than 15 days after the commissioner has received written notice of the proposed changes."

(b) Physician and provider contracts, subcontracts, and arrangements must include provisions:

(1) regarding retaliation as described in Insurance Code §843.281, concerning Retaliatory Action Prohibited;

(2) regarding continuity of treatment, if applicable, as described in Insurance Code §843.309, concerning Contracts with Physicians or Providers: Notice to Certain Enrollees of Termination of Physician or Provider Participation in Plan, and §843.362, concerning Continuity of Care; Obligation of Health Maintenance Organization;

(3) regarding written notification to enrollees receiving care from a physician or provider of the termination of that physician or provider in compliance with Insurance Code §843.308, concerning Notification of Patients of Deselected Physician or Provider, and §843.309;

(4) regarding posting of complaint notices in physician or provider offices as described in Insurance Code §843.283, concerning Posting of Information on Complaint Process Required, provided that a representative notice that complies with this requirement may be obtained from the Managed Care Quality Assurance Office, MC: LH-MCQA, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030, or the department's website at www.tdi.texas.gov;

(5) regarding indemnification of the HMO as described in Insurance Code §843.310, concerning Contracts with Physicians or Providers: Certain Indemnity Clauses Prohibited;

(6) regarding prompt payment of claims as described in Insurance Code Chapter 542, Subchapter B, concerning Prompt Payment of Claims; §1271.005, concerning Applicability of Other Law; and all applicable statutes and rules pertaining to prompt payment of clean claims, including Insurance Code Chapter 843, Subchapter J, concerning Payment of Claims to Physicians and Providers; and Chapter 21, Subchapter T, of this title (relating to Submission of Clean Claims) with respect to payment to the physician or provider for covered services rendered to enrollees;

(7) regarding capitation, if applicable, as described in Insurance Code §843.315, concerning Payment of Capitation; Assignment of Primary Care Physician or Provider, and §843.316, concerning Alternative Capitation System;

(8) regarding selection of a primary care physician or provider, if applicable, as described in Insurance Code §843.203, concerning Selection of Primary Care Physician or Provider;

(9) providing that a podiatrist, practicing within the scope of the law regulating podiatry, is permitted to furnish X-rays and non-prefabricated orthotics covered by the evidence of coverage as described in Insurance Code §843.311, concerning Contracts with Podiatrists;

(10) regarding the requirements of §21.3701 of this title (relating to Electronic Claims Filing Requirements) if the contract requires electronic submission of any information described by that section;

(11) requiring the preferred provider to comply with all applicable requirements of Insurance Code §1661.005, concerning Refund of Overpayment; and

(12) requiring a contracting physician or provider to retain in the contracting physician's or provider's records updated information concerning a patient's other health benefit plan coverage, consistent with Insurance Code §1203.153, concerning Uniform Coordination of Benefits Questionnaire Required.

(c) Physician and provider contracts and arrangements must include provisions entitling the physician or provider, on request, to all information necessary to determine that the physician or provider is being compensated in compliance with the contract. A physician or provider may make the request for information by any reasonable and verifiable means. The information provided must include a level of detail sufficient to enable a reasonable person with sufficient training, experience, and competence in claims processing to determine the payment to be made under the terms of the contract for covered services rendered to enrollees. The HMO may provide the required information by any reasonable method through which the physician or provider can access the information, including email, computer disks, or other electronic storage and transfer technology, paper, or access to an electronic database. Amendments, revisions, or substitutions of any information provided under this paragraph must comply with paragraph (4) of this subsection. The HMO must provide the fee schedules and other required information by the 30th day after the date the HMO receives the physician's or provider's request.

(1) The information provided must include a physician-specific or provider-specific summary and explanation of all payment and reimbursement methodologies that will be used to pay claims submitted by a physician or provider, including at a minimum, the:

(A) fee schedule, including, if applicable, CPT, HCPCS, CDT, ICD-9-CM, ICD-10-CM, ICD-11-CM, and successor codes, and modifiers:

(i) by which the HMO will calculate and pay all claims for covered services submitted by or on behalf of the contracting physician or provider; or

(ii) that pertains to the range of health care services reasonably expected to be delivered under the contract by that contracting physician or provider on a routine basis, along with a toll-free number or electronic address through which the contracting physician or provider may request the fee schedules applicable to any covered services that the physician or provider intends to provide to an enrollee, and any other information required by this subsection that pertains to the service for which the fee schedule is being requested if the HMO has not previously provided that information to the physician or provider;

(B) all applicable coding methodologies;

(C) all applicable bundling processes, which must be consistent with nationally recognized and generally accepted bundling edits and logic;

(D) all applicable downcoding policies;

(E) a description of any other applicable policy or procedure the HMO may use that affects the payment of specific claims submitted by or on behalf of the contracting physician or provider, including recoupment;

(F) any addenda, schedules, exhibits, or policies used by the HMO in carrying out the payment of claims submitted by or on behalf of the contracting physician or provider that are necessary to provide a reasonable understanding of the information provided under this subsection; and

(G) the published product name and version of any software the HMO uses to determine bundling and unbundling of claims.

(2) In the case of a reference to source information outside the control of the HMO as the basis for fee computation, such as state Medicaid or federal Medicare fee schedules, the information the HMO provides must clearly identify the source and explain the procedure by which the physician or provider may readily access the source electronically, telephonically, or as otherwise agreed to by the parties.

(3) Nothing in this subsection may be construed to require an HMO to provide specific information that would violate any applicable copyright law or licensing agreement. However, the HMO must supply, instead of any information withheld on the basis of copyright law or licensing agreement, a summary of the information that will allow a reasonable person with sufficient training, experience, and competence in claims processing to determine the payment to be made under the terms of the contract for covered services that are rendered to enrollees as required by paragraph (1) of this subsection.

(4) No amendment, revision, or substitution of any of the claims payment procedures or any of the information required to be provided by this subsection will be effective as to the contracting physician or provider, unless the HMO provides at least 90-calendar-days' written notice to the contracting physician or provider identifying with specificity the amendment, revision, or substitution. An HMO may not make retroactive changes to claims payment procedures or any of the information required to be provided by this subsection. Where a contract specifies mutual agreement of the parties as the sole mechanism for requiring amendment, revision, or substitution of the information required by this subsection, the written notice specified in this section does not supersede the requirement for mutual agreement.

(5) The HMO must provide the information required by paragraphs (1) - (4) of this subsection to the contracting physician or provider by the 30th day after the date the HMO receives the contracting physician's or provider's request.

(6) A physician or provider receiving information under this subsection may not:

(A) use or disclose the information for any purpose other than:

(i) the physician's or provider's practice management;

(ii) billing activities;

(iii) other business operations; or

(iv) communications with a governmental agency involved in the regulation of health care or insurance;

(B) use the information to knowingly submit a claim for payment that does not accurately represent the level, type, or amount of services that were actually provided to an enrollee or to misrepresent any aspect of the services; or

(C) rely on information provided under this paragraph about a service as a representation that an enrollee is covered for that service under the terms of the enrollee's evidence of coverage.

(7) A physician or provider that receives information under this subsection may terminate the contract on or before the 30th day after the date the physician or provider receives the information without penalty or discrimination in participation in other health care products or plans. The contract between the HMO and physician or provider must provide for reasonable advance notice to enrollees being treated by the physician or provider before the termination consistent with Insurance Code §843.309.

(8) The provisions of this subsection may not be waived, voided, or nullified by contract.

(d) Physician and provider contracts, subcontracts, and arrangements must include provisions regarding written notification of termination to a physician or provider in compliance with Insurance Code §843.306, concerning Termination of Participation; Advisory Review Panel, and §843.307, concerning Expedited Review Process on Termination or Deselection, including provisions providing that:

(1) the HMO must provide notice of termination by the HMO to the physician or provider at least 90 days before the effective date of the termination;

(2) not later than 30 days following receipt of the written notification of termination, a physician or provider may request a review by the HMO's advisory review panel except in a case involving:

(A) imminent harm to patient health;

(B) an action by a state medical or dental board, another medical or dental licensing board, or another licensing board or government agency that effectively impairs the physician's or provider's ability to practice medicine, dentistry, or another profession; or

(C) fraud or malfeasance; and

(3) within 60 days after receipt of the physician's or provider's request for review, the advisory review panel must make its formal recommendation, and the HMO must communicate its decision to the physician or provider.

(e) On request by a participating physician or provider, an HMO must include a provision in the physician's or provider's contract providing that the HMO and the HMO's clearinghouse may not refuse to process or pay an electronically submitted clean claim because the claim is submitted together with or in a batch submission with a claim that is deficient. As used in this section, the term "batch submission" means "a group of electronic claims submitted for processing at the same time within a Health Insurance Portability and Accountability Act (HIPAA) standard ASC X12N 837 Transaction Set and identified by a batch control number." This subsection applies to a contract entered into or renewed on or after August 1, 2017. For a contract entered into or renewed before August 1, 2017, the law and regulations in effect at the time the contract was entered or renewed, whichever is later, governs.

(f) A contract between an HMO and a dentist may not limit the fee the dentist may charge for a service that is not a covered service under Insurance Code §843.3115, concerning Contracts with Dentists.

(g) A contract between an HMO and a provider, as that term is defined in Insurance Code §1458.001, concerning General Definitions, must comply with Insurance Code §1458.101, concerning Contract Requirements, to the extent applicable.

(h) A contract between an HMO and a pharmacy or pharmacist must comply with Insurance Code Chapter 1369, concerning Benefits Related to Prescription Drugs and Devices and Related Services.

§11.902. Prohibited Actions.

(a) An HMO may not:

(1) require a physician to use a hospitalist for a hospitalized patient by contract under Insurance Code §843.320, concerning Use of Hospitalist;

(2) refuse to contract with a nurse first assistant to be part of a provider network or refuse to reimburse a nurse first assistant under Insurance Code §843.3045, concerning Nurse First Assistant;

(3) require a physician to use the services of a nurse first assistant as defined by Occupations Code §301.354, concerning Nurse First Assistants; Assisting at Surgery by Other Nurses;

(4) refuse to contract with a podiatrist licensed by the Texas Department of Licensing and Regulation who joins the professional practice of a contracted physician or provider under Insurance Code §843.319, concerning Certain Required Contracts;

(5) refuse a request to identify a physician assistant or advanced practice registered nurse as a provider in the HMO's network under Insurance Code §843.312, concerning Physician Assistants and Advanced Practice Nurses;

(6) employ an optometrist or therapeutic optometrist to provide a vision care product or service, pay an optometrist or therapeutic optometrist for a service not provided, or restrict or limit an optometrist's or therapeutic optometrist's choice of sources or suppliers of services or materials under Insurance Code §1451.156, [~~(~~]concerning Prohibited Conduct[~~)~~]; or

(7) engage in conduct that violates Insurance Code §1451.1545, concerning Participation in Vision Care Plan; Effect on Other Plans, or §1451.157, concerning Vision Plan Conduct;

(8) [~~(7)~~] contract with a dentist to limit the fee the dentist may charge for a service that is not a covered service under Insurance Code §843.3115, concerning Contracts with Dentists; or[~~.~~]

(9) engage in conduct that violates Insurance Code §4151.155, concerning Certain Disclosures and Communications by Pharmacist or Pharmacy Protected.

(b) An HMO that uses steering or a tiered network to encourage an enrollee to obtain a health care service from a particular provider, as defined under Insurance Code Chapter 1458, concerning Provider Network Contract Arrangements, must do so in a manner that complies with the requirements of the Insurance Code, including the fiduciary duty imposed by Insurance Code §843.322, concerning Incentives to Use Certain Physicians and Providers, and Insurance Code §1458.101(i), concerning Contract Requirements, to act only for the primary benefit of the enrollee or contract holder. For the purposes of this section:

(1) "steering" refers to offering incentives to encourage enrollees to use specific physicians or providers;

(2) "tiered network" refers to a network of contracted physicians and providers in which an HMO assigns contracted physicians and providers to tiers within the network that are associated with different levels of cost sharing; and

(3) violations of the fiduciary duty [~~under Insurance Code §1458.101(i)~~] will be determined by TDI based on an assessment of the HMO's conduct. [~~Examples of conduct that would violate the HMO's fiduciary duty include, but are not limited to:~~]

[~~(A) using a steering approach or a tiered network to provide a financial incentive as an inducement to limit medically necessary services, to encourage receipt of lower quality medically necessary services or receipt of services, or in violation of state or federal law;~~]

[~~(B) failing to implement reasonable processes to ensure that the contracted physicians and providers that enrollees are encouraged to use within any steering approach or tiered network are not of a materially lower quality as compared with contracted physicians and providers that enrollees are not encouraged to use;~~]

[~~(C) failing to implement reasonable processes to ensure that the HMO does not make materially false statements or representations about a physician's or provider's quality of care or costs; or~~]

[~~(D) failing to use objectively and verifiably accurate and valid information as the basis of any encouragement or incentive under this subsection.~~]

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SUBCHAPTER O. ADMINISTRATIVE PROCEDURES

28 TAC §11.1402

STATUTORY AUTHORITY.

TDI proposes amendments to §11.1402 under Insurance Code §843.151 and §36.001.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code related to HMOs and ensure that enrollees have adequate access to health care services.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §11.1402 implement Insurance Code §843.305 and §1451.1545 as added by HB 3211.

§11.1402. Notification to Physicians and Providers.

(a) An HMO that provides coverage for health care services or medical care through one or more physicians or providers is required by Insurance Code §843.305, [(]concerning Annual Application Period for Physician and Providers to Contract,[)] to provide a 20-calendar day period each calendar year during which any provider or physician in the geographic service area may apply to participate in each of the HMO's networks providing health care services or medical care under the terms and conditions established by the HMO for the provision of the services and the designation of the physicians and providers. Section 843.305 may not be construed to:

(1) require that an HMO use a particular type of provider or physician in its operation;

(2) require that an HMO accept a physician or provider of a category or type that does not meet the practice standards and qualifications established by the HMO; or

(3) require that an HMO contract directly with the physicians or providers.

(b) An HMO subject to Insurance Code §843.305 must publish a notice of an application period to physicians and providers both in the public notice section of at least one major newspaper with general circulation in each of its service areas and on the HMO's website. The notice must be published for at least five consecutive days during the period of January 2 through January 23 of each calendar year and must include the caption "Notice to Physicians and Providers" in bold type, the name and address of the HMO, what networks the HMO provides, and the specific dates of the 20-day period during which physicians and providers may make application to be a participating physician or provider in each network.

(c) An HMO must notify a physician or provider of acceptance or nonacceptance, in writing, no later than 90 days from receipt of an application for participation by that physician or provider in a network.

(d) An HMO must file a copy of the published notice with the department in compliance with §11.301 of this title (relating to Filing Requirements), for information, within 30 days of publication. The filing must include the following:

(1) the name of the newspaper and the beginning and ending date of the publication; and

(2) a copy of the website screen shots and the beginning and ending date of the publication.

(e) Notwithstanding other provisions in this section, with respect to vision care plans, an HMO must comply with Insurance Code §1451.1545, concerning Participation in Vision Care Plan; Effect on Other Plans.

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SUBCHAPTER Q. OTHER REQUIREMENTS

28 TAC §11.1604

STATUTORY AUTHORITY.

TDI proposes amendments to §11.1604 under Insurance Code §§843.151, 844.004, and 36.001.

Insurance Code §843.151 authorizes the commissioner to adopt reasonable rules to implement various parts of the Insurance Code related to HMOs and ensure that enrollees have adequate access to health care services.

Insurance Code §844.004 authorizes the commissioner to adopt rules to implement Insurance Chapter 844.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §11.1604 implement Insurance Code Chapter 843.

§11.1604. Requirements for Certain Contracts Between Primary HMOs and ANHCs and Between Primary HMOs and Provider HMOs.

A primary HMO that enters into a contract with an ANHC in which the ANHC agrees to arrange for or provide health care services other than medical care or services ancillary to the practice of medicine, or with a provider HMO in which the provider HMO agrees to arrange for or provide health care services on a risk-sharing or capitated risk arrangement on behalf of the primary HMO as part of the primary HMO delivery network must:

(1) submit a monitoring plan to the department setting out:

(A) how the primary HMO will ensure that the ANHC or provider HMO has an effective administrative system for providing timely and accurate reimbursement to all physicians and providers under contract with the ANHC or provider HMO; and

(B) how the primary HMO will ensure that all HMO functions delegated or assigned under contract with the ANHC or provider HMO are consistent with full compliance by the primary HMO with all department regulatory requirements;

(2) file with the department a copy of the form of the written contract with an ANHC or provider HMO, in accordance with §11.301 [§~~11.301(5)~~] of this title (relating to Filing Requirements), that:

(A) requires that the ANHC or provider HMO cannot terminate the contract without 90-days written notice;

(B) contains a hold-harmless provision that prohibits the ANHC or provider HMO and its contracted physicians and providers from billing for or attempting to collect from HMO members, except for authorized copayments and deductibles, charges for covered services under any circumstance, including the insolvency of the primary HMO, ANHC, or provider HMO;

(C) contains a provision stating that nothing in the contract will be construed to in any way limit the HMO's authority or responsibility to comply with all of the department's regulatory requirements;

(D) includes the ANHC's or provider HMO's acknowledgment and agreement that:

(i) the primary HMO is required to establish, operate, and maintain a health care delivery system, quality assurance system, physician and provider credentialing system, and other systems and programs meeting department standards and is directly accountable for compliance with the standards;

(ii) the role of the ANHC or provider HMO in contracting with the primary HMO is limited to implementing certain systems of the primary HMO, using [~~utilizing~~] standards approved by the primary HMO, and subject to the primary HMO's oversight and monitoring of the ANHC's or provider HMO's performance; and

(iii) the primary HMO may take necessary action to ensure that all HMO systems and functions that are delegated or assigned under the contract with the ANHC or provider HMO are in full compliance with all department regulatory requirements;

(E) requires the ANHC to make available to the primary HMO the ANHC's contracts with physicians and providers to ensure compliance with contractual requirements set out in subparagraphs (B) and (C) of this paragraph;

(F) requires the ANHC to provide the primary HMO with evidence of both financial solvency and financial ability to perform, such as a certified financial audit of the ANHC conducted by an independent certified public accountant, using generally accepted accounting and auditing principles; and

(G) requires the ANHC or provider HMO to provide the primary HMO, on at least a monthly basis and in a usable form necessary for audit purposes, the data necessary for the HMO to comply with department reporting requirements with respect to any services provided under the HMO-ANHC or HMO-provider HMO agreement, including the following data:

(i) number of primary HMO enrollees served or assigned to the ANHC or primary HMO to receive services, including the number added and terminated since the last reporting period;

(ii) form of the contracts and subcontracts between the ANHC and physicians and providers who will be providing services to enrollees of the primary HMO and any material changes to the contracts and subcontracts;

(iii) copayments received by the ANHC or provider HMO;

(iv) summary of the amounts paid by the ANHC or provider HMO to physicians and providers;

(v) methods by which physicians and providers were paid by the ANHC or provider HMO, for example, capitation, fee-for-services, or other risk-sharing arrangements;

(vi) utilization data;

(vii) summary of the amounts paid by the ANHC or provider HMO for administrative services relating to the primary HMOs;

(viii) the time that claims and debts related to claims owed by the ANHC or provider HMO have been pending;

(ix) information required for the primary HMO to be able to file claims for reinsurance, coordination of benefits, and subrogation;

(x) physician and provider and enrollee satisfaction data;

(xi) complaint data;

(xii) documentation of any inquiry or investigation of the ANHC or provider HMO, or any individual subcontracting physician or provider, made by regulatory agencies, and documentation of the final resolution of the inquiry or investigation; and

(xiii) any other data necessary to ensure proper monitoring and control of the primary HMO delivery network by the primary HMO;

(3) conduct an on-site audit of the ANHC or provider HMO at least annually, or more frequently on indication of material noncompliance, to obtain information necessary to verify compliance with all of the department's regulatory requirements, and provide written documentation of each audit to the department on request; and

(4) take prompt action to correct any failure by the ANHC or provider HMO to comply with the department's regulatory requirements relating to any matters delegated by the primary HMO to the ANHC or provider HMO and necessary to ensure the primary HMO's compliance with the regulatory requirements.

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

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Jessica Barta
General Counsel
Texas Department of Insurance
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SUBCHAPTER Z. POINT-OF-SERVICE RIDERS

28 TAC §11.2503

STATUTORY AUTHORITY.

TDI proposes to amend §11.2503 under Insurance Code§1702.006 and §36.001.

Insurance Code §1702.006 authorizes the commissioner to adopt reasonable rules necessary to implement Insurance Code Chapter 1702.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

The amendments to §11.2503 implement Insurance Code Chapter 1702, as added by HB 2221.

§11.2503. Coverage Relating to Point-of-Service Rider Plans.

(a) An HMO may not consider an in-plan covered service to be a benefit provided under the point-of-service rider.

(b) An HMO may not require an enrollee to use either the point-of-service rider benefits or in-plan covered services first.

(c) An HMO that includes limited provider networks:

(1) may not limit the access, under the point-of-service rider, of an enrollee whose in-plan covered services are restricted to the limited provider network, to either participating physicians and providers or nonparticipating physicians and providers;

(2) may not impose cost-sharing arrangements for an enrollee whose in-plan covered services are restricted to a limited provider network, and who, through the point-of-service rider, accesses a participating physician or provider outside the limited provider network, that differ from the cost-sharing arrangements for in-plan covered services obtained by the enrollee from a physician or provider in the limited provider network; and

(3) may provide for cost-sharing arrangements for benefits obtained from nonparticipating physicians and providers that are different from the cost sharing arrangements for in-plan covered services, provided that coinsurance required under a point-of-service rider must never exceed 50% [~~50 percent~~] of the total amount to be covered.

(d) An HMO that issues or offers to issue a point-of-service rider plan is subject, to the same extent as the HMO is subject in issuing any other health plan product, to all applicable provisions of Insurance Code Chapters 541, [~~(~~]concerning Unfair Methods of Competition and Unfair or Deceptive Acts or Practices;[~~),~~] 542, [~~(~~]concerning Processing and Settlement of Claims;[~~),~~] 543, [~~(~~]concerning Prohibited Practices Related to Policy or Certificate of Membership;[~~),~~] 544, [~~(~~]concerning Prohibited Discrimination;[~~),~~] 547, [~~(~~]concerning False Advertising by Unauthorized Insurers;[~~),~~] 843, [~~(~~]concerning Health Maintenance Organizations;[~~), and~~] 1273, [~~(~~]concerning Point-Of-Service Plans; and 1702, concerning Regulation of Certain Trade Practices[~~)~~].

(e) A point-of-service rider plan offered under this subchapter must contain:

(1) a point-of-service rider that:

(A) includes coverage that corresponds to all in-plan covered services provided in the evidence of coverage as well as coverage that is provided to an enrollee as part of the enrollee's in-plan coverage through separate riders attached to the evidence of coverage;

(B) may include benefits in addition to in-plan covered services;

(C) may limit or exclude coverage for benefits that do not correspond to in-plan covered services;

(D) may not limit coverage for benefits that correspond to in-plan covered services except as provided in subparagraphs (E), (F), and (G) of this paragraph;

(E) may include reasonable out-of-pocket limits and annual and lifetime benefit allowances that differ from limits or allowances on in-plan covered services provided under other riders attached to the evidence of coverage as [~~so~~] long as the allowances and limits comply with applicable federal and state laws;

(F) may provide for cost-sharing arrangements that are different from the cost-sharing arrangements for in-plan covered services, provided that coinsurance required under a point-of-service rider must never exceed 50% [~~50 percent~~] of the total amount to be covered;

(G) may be reduced by benefits obtained as in-plan covered services;

(H) may not reduce or limit in-plan covered services in any way by coverage for benefits obtained by an enrollee under the point-of-service rider;

(I) if applicable, must disclose:

(i) how the point-of-service rider cost-sharing arrangements differ from those in the evidence of coverage;

(ii) any reduction of benefits as set forth in subparagraph (G) of this paragraph;

(iii) any deductible that must be met by the enrollee under the point-of-service rider; and

(iv) whether copayments made for in-plan covered services apply toward the point-of-service rider deductible;

(J) must provide coverage for services obtained without the HMO's authorization from a participating physician or provider, but the enrollee must comply with any precertification requirements as set forth in subparagraph (L) of this paragraph that are applicable to the point-of-service rider;

(K) must include a description of how an enrollee may access out-of-plan covered benefits under the point-of-service rider, including coverage contained in other riders attached to the evidence of coverage;

(L) must disclose all precertification requirements for coverage under the point-of-service rider including any penalties for failure to comply with any precertification or cost containment provisions, provided that the penalties will not reduce benefits more than 50% [~~50 percent~~] in the aggregate;

(M) if it is issued to a group, must contain provisions that comply with Insurance Code Chapter 1251, Subchapter C, [~~(~~]concerning Partnership for Long-Term Care Program[~~)~~]; and

(N) if it is issued to an individual, must contain provisions that comply with Insurance Code §§1201.211 - 1201.217, [~~(~~]concerning Policy Provision: Notice of Claim, Policy Provision: Claim Forms, Policy Provision: Proof of Loss, Policy Provision: Time of Payment of Claims, Policy Provision: Payment of Claims, Policy Provision: Physical Examinations and Autopsy, Policy Provision: Legal Actions[~~)~~];

(2) an evidence of coverage that includes a description and reference to the point-of-service rider sufficient to notify a prospective or current enrollee that the plan provides the option of accessing participating physicians and providers as well as nonparticipating physicians and providers for out-of-plan covered benefits, and that accessing these benefits through the point-of-service rider may involve greater costs than accessing corresponding in-plan covered services; and

(3) a side-by-side summary of the schedule of the corresponding coverage for services, benefits, and supplies available under the point-of-service rider and services, benefits, and supplies available in the evidence of coverage that together constitute the point-of-service rider plan.

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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Jessica Barta
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CHAPTER 21. TRADE PRACTICES
SUBCHAPTER X. EVALUATION OF NETWORK PHYSICIANS AND PROVIDERS

The Texas Department of Insurance (TDI) proposes to repeal 28 TAC §21.3202, concerning physician ranking requirements, and replace it with new §21.3202, concerning designated organizations for physician ranking, which designates organizations whose standards may be used by health benefit plan issuers for physician rankings. The proposed repeal and new section are necessary to implement Senate Bill 926, 89th Legislature, 2025.

EXPLANATION. The proposed repeal and replacement of §21.3202 implement Insurance Code §1460.003 and §1460.005. Chapter 1460 was added by House Bill 1888, 81st Legislature, 2009, to address the requirements for health benefit plan issuers when making certain comparisons of physicians. Under HB 1888, issuers could make only certain comparisons of physicians, using nationally recognized standards and guidelines adopted by the commissioner. SB 926 made substantive changes to Insurance Code Chapter 1460 by removing the list of nationally recognized organizations that establish guidelines and performance measures, and instead providing criteria that an organization and its standards must meet to be eligible to be designated by TDI rules.

Under SB 926, a health benefit plan issuer may rank physicians or classify physicians into tiers based on performance only if the standards used in the ranking are developed or prescribed by an organization designated by the commissioner. Insurance Code §1460.005 provides amended eligibility criteria that organizations must meet to be designated.

SB 926 also extends the commissioner's enforcement authority. Insurance Code §1460.007(c) states that the commissioner shall prohibit a health benefit plan issuer from using a ranking or classification system for not less than 12 consecutive months if the commissioner determines that the health benefit plan issuer has engaged in a pattern of discrepancies, falsehoods, or violations described by §1460.003(a-1).

Additionally, SB 926 amended the due process protections that health benefit plan issuers are required to provide to affected physicians.

Since the passage of SB 926, TDI has been receiving nominations of organizations that the commissioner should designate to implement Insurance Code Chapter 1460. On November 20, 2025, TDI also issued a public request for such nominations. TDI has received nominations of the following entities:

- Any national medical specialty society, as defined in Insurance Code Chapter 1460;

- Blue Health Intelligence (BHI);

- CareMetro;

- Core Quality Measures Collaborative (CQMC);

- Denniston Data Inc. (DDI);

- Global Appropriateness Measures (GAM);

- IntegerHealth;

- Joint Commission;

- Motive Medical Intelligence;

- National Committee for Quality Assurance (NCQA);

- National Quality Forum (NQF);

- Partnership for Quality Measures (PQM);

- Patient Centered Episode System (PACES);

- Purchaser Business Group on Health (PBGH);

- United States Department of Health and Human Services (HHS), including the Agency for Healthcare Research and Quality (AHRQ), Centers for Disease Control and Prevention (CDC), Centers for Medicare and Medicaid Services (CMS), Food and Drug Administration (FDA), and National Institutes of Health (NIH);

- U.S. Preventive Services Task Force (USPSTF);

- Commission on Accreditation of Rehabilitation Facilities (CARF® International); and

- Utilization Review Accreditation Commission (URAC).

Proposed new §21.3202 includes the nominated organizations for commissioner designation under Insurance Code Chapter 1460. Two nominated organizations, CARF and URAC, are excluded from the list of proposed organizations because they indicated that they did not wish to be designated.

TDI sent a survey to each nominated organization (other than medical specialty societies, and federal agencies and task forces) to assess whether the organization and its standards meet the statutory criteria. TDI's determination regarding each entity will be based on survey responses, publicly available information, and comments received. For some of the listed organizations, eligibility has not been clearly established, and detailed comments are encouraged in support of, or opposition to, all of them. For example, comments are welcome on whether an organization is "unbiased" under Insurance Code §1460.005(c)(1)(B), whether an organization's standards were developed by "physicians currently in clinical practice," consistent with Insurance Code §1460.006, whether an organization's standards are "nationally recognized" under Insurance Code §1460.005(c)(2)(A)(i), and whether an organization qualifies even if its standards do not themselves reference physicians' ability to "report data, evidentiary, factual, or mathematical discrepancies, errors, omissions, or faulty assumptions" under Insurance Code §1460.005(c)(2)(B).

Note that if new entities are suggested for designation in comments on this proposal, it is likely that they will not be considered in this rulemaking due to the absence of an opportunity for the public to comment on them. However, they may be considered in future rulemaking.

In separate proposals TDI will propose to amend 28 TAC Chapters 3 and 11 to make changes to implement portions of SB 926 that amend Insurance Code Chapters 1301 and 843.

A description of the new section follows.

Repeal of §21.3202. TDI proposes to repeal §21.3202.

New §21.3202. Designated Organizations for Physician Ranking.

Proposed new §21.3202 specifically lists the designated organizations whose standards health benefit plan issuers may use when ranking or classifying physicians.

New §21.3202(a) lists the organizations designated by the commissioner under Insurance Code Chapter 1460. New §21.3202(b) provides that the commissioner may enter an order designating a qualified entity on an interim basis, which would be followed by a designation by rule within three years in order to continue. New §21.3202(c) specifies that a health benefit plan issuer retains responsibility for compliance with the requirements of Insurance Code Chapter 1460.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Rachel Bowden, director of the Regulatory Initiatives Office, has determined that during each year of the first five years the proposed repeal and new section are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the amendments, other than that imposed by statute. Ms. Bowden made this determination because the proposed amendments do not increase or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed amendments.

Ms. Bowden does not anticipate a measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed repeal and new section are in effect, Ms. Bowden expects that administering the proposed rule will have the public benefit of designating the organizations to develop or prescribe the standards required for health benefit plan issuers to rank or classify physicians. These amendments ensure that TDI's rules conform to Insurance Code Chapter 1460 and promote a transparent system of physician ranking that is based on standards developed or prescribed by designated organizations meeting the statutory criteria.

Ms. Bowden expects that while some designated organizations make standards for ranking or classifying physicians freely available, others may charge fees to access the standards. Multiple organizations are designated in the proposed rule, so any fees may vary. Nonetheless, the requirement to use designated organizations is statutory, so all associated costs are also attributable to statute and do not result from enforcement or administration of the proposed rule. Thus, the proposed repeal and new section will not increase the cost of compliance beyond what is already required by Insurance Code Chapter 1460. Issuers may choose to avoid cost by using standards that are available for free or choosing not to rank or classify physicians.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed repeal and new section will not have an adverse economic effect on small or micro businesses, or on rural communities. The rule does not apply to rural communities. Small or micro businesses are not required by statute or by this proposed rule to perform physician ranking. While costs may arise for businesses that choose to perform physician ranking and to use standards that require a fee, all businesses, including small and microbusinesses, can choose to use standards from organizations that provide them at no cost. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal may impose costs on regulated persons that choose to perform physician ranking and to use standards that require a fee. However, regulated persons may choose to instead use standards that are available at no cost. In addition, no additional rule amendments are required under Government Code §2001.0045 because the proposed amendments to §21.3202 are necessary to implement legislation. The proposed rule implements Insurance Code Chapter 1460, as amended by SB 926.

GOVERNMENT GROWTH IMPACT STATEMENT.

TDI has determined that for each year of the first five years that the proposed repeal and new section are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will create a new regulation;

- will expand, limit, or repeal an existing regulation;

- will not increase or decrease the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

The proposed rule will expand, limit, or repeal an existing regulation by removing and replacing the outdated rule applying Insurance Code Chapter 1460 requirements for health benefit plan issuers to rank or classify physicians.

TAKINGS IMPACT ASSESSMENT. TDI 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. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on June 8, 2026. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2863. This proposal will be part of a rule hearing docket that will begin at 10:00 a.m., central time, on June 1, 2026. TDI will hold the public hearing both remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin Texas 78701 in Room 2.034. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

28 TAC §21.3202

STATUTORY AUTHORITY. TDI proposes the repeal of §21.3202 under Insurance Code §1460.005(a) and (b) and §36.001.

Insurance Code §1460.005(a) requires the commissioner to adopt rules as necessary to implement Insurance Code Chapter 1460.

Insurance Code §1460.005(b) requires the commissioner to adopt rules as necessary to ensure that a health benefit plan issuer that uses a physician ranking system complies with the standards and guidelines described in Insurance Code §1460.005(c).

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The repeal of §21.3202 implements Insurance Code Chapter 1460.

§21.3202. Physician Ranking Requirements.

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

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Jessica Barta
General Counsel
Texas Department of Insurance
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For further information, please call: (512) 676-6555

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28 TAC §21.3202

STATUTORY AUTHORITY. TDI proposes new §21.3202 under Insurance Code §§1460.003(a), 1460.005(a) and (b) and 36.001.

Insurance Code §1460.003(a) prohibits health benefit plan issuers from ranking or classifying physicians into tiers based on performance unless, among other things, the standards used to rank or classify are developed or prescribed by an organization designated by the commissioner by rule.

Insurance Code §1460.005(a) requires the commissioner to adopt rules as necessary to implement Insurance Code Chapter 1460.

Insurance Code §1460.005(b) requires the commissioner to adopt rules as necessary to ensure that a health benefit plan issuer that uses a physician ranking system complies with the standards and guidelines described in Insurance Code §1460.005(c).

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. New §21.3202 implements Insurance Code Chapter 1460.

§21.3202. Designated Organizations for Physician Ranking.

(a) For the purposes of Insurance Code Chapter 1460, concerning Standards Required Regarding Certain Physician Rankings by Health Benefit Plans, the commissioner designates the following organizations:

(1) any national medical specialty society, as defined in Insurance Code Chapter 1460;

(2) Blue Health Intelligence (BHI);

(3) CareMetro;

(4) Core Quality Measures Collaborative (CQMC);

(5) Denniston Data Inc. (DDI);

(6) Global Appropriateness Measures (GAM);

(7) IntegerHealth;

(8) Joint Commission;

(9) Motive Medical Intelligence;

(10) National Committee for Quality Assurance (NCQA);

(11) National Quality Forum (NQF);

(12) Patient Centered Episode System (PACES);

(13) Partnership for Quality Measures Evaluation and Maintenance (PQM);

(14) Purchaser Business Group on Health (PBGH);

(15) United States Department of Health and Human Services (HHS), including:

(A) the Agency for Healthcare Research and Quality (AHRQ);

(B) Centers for Disease Control and Prevention (CDC);

(C) Centers for Medicare and Medicaid Services (CMS);

(D) Food and Drug Administration (FDA), and;

(E) National Institutes of Health; and;

(16) United States Preventive Services Task Force (USPSTF).

(b) If an entity meets the requirements for designation under Insurance Code Chapter 1460, the commissioner may enter an order designating the entity on an interim basis as one whose standards may be used by health benefit plan issuers for the ranking or tiering of physicians consistent with Insurance Code §1460.003, concerning Physician Ranking Requirements. Interim designations will not be for a period longer than three years and will not be renewed or extended.

(c) A health benefit plan issuer retains ultimate responsibility for compliance with the requirements of Insurance Code Chapter 1460, including ensuring that any standard used to rank physicians or classify physicians into tiers based on performance meets the requirements of Insurance Code §§1460.003 - 1460.006.

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

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CHAPTER 26. EMPLOYER-RELATED HEALTH BENEFIT PLAN REGULATIONS

The Texas Department of Insurance (TDI) proposes to amend 28 TAC §26.9 and §26.305, concerning small employer and large employer health benefit plans. The amendments implement Senate Bill 896, 89th Legislature, 2025.

EXPLANATION. Proposed amendments to §26.9 and §26.305 are necessary to implement SB 896, which expands the coverage period for newborn children under small and large employer health plans subject to Insurance Code Chapter 1501. SB 896 extends the end date of the mandatory coverage period from the 32nd day to the 61st day after a child's birth, and extends the deadline for an enrollee to notify the health plan and pay any additional premium from the 31st day to the 60th day after the date of birth.

In separate proposals also published in this issue of the *Texas Register*, TDI proposes amendments to 28 TAC Chapters 3 and 11 to implement multiple bills, including SB 896.

Descriptions of the sections' proposed amendments follow.

Section 26.9. The proposed amendments to §26.9 implement SB 896. Subsection (a)(4) is amended by replacing the reference to newborn coverage termination on the 32nd day after birth with the 61st day after birth. And the subsection is also amended by replacing the references to a 31-day premium payment deadline with a 60-day payment deadline.

Section 26.305. The proposed amendments to §26.305 implement SB 896. Subsection (f) is amended by replacing the reference to newborn coverage termination on the 32nd day after birth with the 61st day after birth. Subsection (f)(2) is amended by replacing the references to a 31-day premium payment deadline with a 60-day payment deadline. An amendment to subsection (h)(1) deletes "an" to correct a grammatical error.

The proposed amendments also include nonsubstantive editorial and formatting changes to conform the sections to TDI's current drafting style and plain language preferences and to improve the rule's clarity. These changes appear throughout the amended sections and include nonsubstantive text edits, including replacing the word "must" with "may," replacing the word "nonpayment" with "no payment," and corrections to punctuation.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Rachel Bowden, director of the Regulatory Initiatives Office in the Life and Health Division, has determined that during each year of the first five years the proposed amendments are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the amendments other than that imposed by the statute. Ms. Bowden made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed amendments.

Ms. Bowden does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Ms. Bowden expects that administering the proposed amendments will have the public benefit of ensuring that TDI's rules conform to Insurance Code §1501.157 and §1501.607, as amended by SB 896.

Ms. Bowden expects that the proposed amendments will not increase the cost of compliance with Insurance Code §1501.157 and §1501.607 because it does not impose requirements beyond those in statute. As a result, the cost associated with extending the coverage period for newborn children does not result from the enforcement or administration of the proposed amendments.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed amendments will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does not impose a possible cost on regulated persons. Even if it did, no additional rule amendments are required under Government Code §2001.0045 because the proposed amendments are necessary to implement legislation. The proposed rule implements Insurance Code §1501.157 and §1501.607, as amended by SB 896.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the proposed amendments are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will not create a new regulation;

- will expand, limit, or repeal an existing regulation;

- will not increase or decrease the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TDI 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. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on June 8, 2026. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to Chief-

Clerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2864. This proposal will be part of a rule hearing docket that will begin at 10:00 a.m., central time, on June 1, 2026. TDI will hold the public hearing both remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin Texas 78701 in Room 2.034. Visit www.tdi.texas.gov/alert/event/index.html for more info on the proposed rule, hearing, and comment submission.

SUBCHAPTER A. DEFINITIONS, SEVERABILITY, AND SMALL EMPLOYER HEALTH REGULATIONS

28 TAC §26.9

STATUTORY AUTHORITY. TDI proposes amendments to §26.9 under Insurance Code §1501.010(1) and §36.001.

Insurance Code §1501.010(1) directs the commissioner to adopt rules necessary to implement Insurance Code Chapter 1501.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. Section 26.9 implements Insurance Code §1501.157, as amended by SB 896.

§26.9. Exclusions, Limitations, Waiting Periods, Affiliation Periods, Preexisting Conditions, and Restrictive Riders.

(a) All health benefit plans that provide coverage for small employers and their employees must comply with the following requirements.

(1) A small employer carrier may not exclude any eligible employee or dependent (including a late enrollee who would otherwise be covered under a small employer health benefit plan), except to the extent permitted under Insurance Code §1501.156, [~~(~~]concerning Employee Enrollment; Waiting Period[~~)~~].

(2) A small employer carrier may not limit or exclude (by use of rider, amendment, or other provision of the plan, applicable to a specific individual) coverage by type of illness, treatment, medical condition, or accident, except for preexisting conditions or diseases or an affiliation period, as permitted under Insurance Code Chapter 1501, [~~(~~]concerning Health Insurance Portability and Availability Act[~~)~~].

(3) A preexisting condition provision in a small employer health benefit plan may not apply to expenses incurred on or after the expiration of the 12 months following the effective date of coverage of the enrollee or late enrollee, except as authorized by paragraph (9)(B) of this subsection.

(4) A small employer health benefit plan may not limit or exclude initial coverage of a newborn child of a covered employee. Any coverage of a newborn child of an employee under this subsection terminates on the 61st [~~32nd~~] day after the date of the birth of the child unless notification of the birth and any required additional premium are received by the small employer carrier not later than the 60th [~~31st~~] day after the date of birth. A small employer carrier may [~~must~~] not terminate coverage of a newborn child if the carrier's billing cycle does not coincide with this 60-day [~~31-day~~] premium payment requirement, until the next billing cycle has occurred and there has been no payment [~~nonpayment~~] of the additional required premium[~~,~~] within 30 days of the due date of the premium.

(5) A small employer health benefit plan may not limit or exclude initial coverage of an adopted child of an insured. An adopted child of an insured may be enrolled, at the option of the insured, within either:

(A) 31 days after the insured is a party in a suit for adoption; or

(B) 31 days of the date the adoption is final.

(6) Coverage of an adopted child of an insured under paragraph (5) of this subsection terminates unless notification of the adoption and any required additional premium are received by the small employer carrier not later than either:

(A) the 31st day after the insured becomes a party in a suit in which the adoption of the child by the insured is sought; or

(B) the 31st day after the date of the adoption. A small employer carrier may not terminate coverage of an adopted child if the carrier's billing cycle does not coincide with this 31-day premium payment requirement, until the next billing cycle has occurred and there has been nonpayment of the additional required premium, within 30 days of the due date of the premium.

(7) For purposes of paragraphs (4) and (6) of this subsection, "received by the small employer within a specified period" means that the item(s) must be either received or postmarked by the specified period.

(8) If a newborn or adopted child is enrolled in a health benefit plan or other creditable coverage within the periods specified in paragraph (4) or (5) of this subsection, and subsequently enrolls in another health benefit plan without a significant break in coverage, the other plan may not impose any preexisting condition exclusion or affiliation period with regard to the child. If a newborn or adopted child is not enrolled within the periods specified in paragraph (4) or (5) of this subsection, then in accordance with paragraph (9) of this subsection, the newborn or adopted child may be considered a late enrollee or excluded from coverage until the next open enrollment period.

(9) A small employer carrier must choose one of the methods set forth in subparagraph (A) or (B) of this paragraph for handling requests for enrollment as a late enrollee in any health benefit plan subject to this subchapter. The small employer carrier must use the same method for all small employer health benefit plans.

(A) The eligible employee or dependent may be excluded from coverage and any application for coverage rejected until the next annual open enrollment period and, once enrolled, may be subject to a 12-month preexisting condition provision or, in the case of an HMO, may be subject to a 60-day affiliation provision, as described by Insurance Code §§1501.102 - 1501.104, [~~(~~]concerning Preexisting Condition Provision; Treatment of Certain Conditions as Preexisting Prohibited; and Affiliation Period[~~)~~].

(B) The eligible employee or dependent's application may be accepted immediately and the employee or dependent enrolled as a late enrollee during the plan year. If so enrolled, the preexisting condition provision imposed for a late enrollee may not exceed 18 months or, in the case of an HMO, the affiliation period may not exceed 90 days from the date of the late enrollee's application for coverage.

(C) The provisions of subparagraphs (A) and (B) of this paragraph do not apply to eligible employees or dependents under the special circumstances listed as exceptions under the definition of late enrollee in §26.4 of this title (relating to Definitions).

(D) Examples for applying subparagraphs (A) and (B) of this paragraph, in the case of both insurers and HMOs: Individual A requests coverage on October 1, 2014, after the enrollment period of July 1, 2014, through July 31, 2014, has ended. The next annual open enrollment period is July 1, 2015, through July 31, 2015. The effective date of coverage for persons enrolling during an open enrollment period is the beginning of the plan year, which is September 1 of each year.

(i) If the carrier is an insurer and has elected to exclude all applicants requesting late enrollment until the next open enrollment period, Individual A must reapply for coverage in July 2015 and the carrier may apply up to a 12-month preexisting condition period from the effective date of coverage, and as with any other enrollee, the preexisting condition period would begin on September 1, 2015, and expire on September 1, 2016.

(ii) If the carrier is an insurer and has elected to accept applications for late enrollment immediately and enroll the applicant during the plan year, the carrier may apply up to an 18-month preexisting condition period from the date of application. If Individual A applied for coverage on October 1, 2014, the preexisting condition period would begin on that date and expire on April 1, 2016.

(iii) If the carrier is an HMO and has elected to exclude all applicants requesting late enrollment until the next open enrollment period, Individual A must reapply for coverage in July 2015, and the carrier may apply up to a 60-day affiliation period, as with any other enrollee.

(iv) If the carrier is an HMO and has elected to accept applications for late enrollment immediately and enroll the applicant during the plan year, the carrier may apply up to a 90-day affiliation period from the day Individual A applied for coverage.

(10) A preexisting condition provision in a small employer health benefit plan may not apply to coverage for a disease or condition other than a disease or condition for which medical advice, diagnosis, care, or treatment was recommended or received from an individual licensed to provide the services under state law and operating within the scope of practice authorized by state law during the six months before the effective date of coverage.

(11) A small employer carrier may not treat genetic information as a preexisting condition described by Insurance Code §1501.002, [~~(~~]concerning Definitions,[~~)~~] in the absence of a diagnosis of the condition related to the information.

(12) A small employer carrier may not treat a pregnancy as a preexisting condition described in Insurance Code §1501.002.

(13) A preexisting condition provision in a small employer health benefit plan does not apply to an individual who was continuously covered for an aggregate period of 12 months under creditable coverage that was in effect up to a date not more than 63 days before the effective date of coverage under the small employer health benefit plan, excluding any waiting period under the previous coverage. For example, Individual A has coverage under an individual policy for six months beginning on May 1, 2014, through October 31, 2014, followed by a gap in coverage of 61 days until December 31, 2014. Individual A is covered under an individual health plan beginning on January 1, 2015, for six months through June 30, 2015, followed by a gap in coverage of 62 days until August 31, 2015. Individual A's effective date of coverage under a small employer health benefit plan is September 1, 2015. Individual A has 12 months of creditable coverage and would not be subject to a preexisting condition exclusion under the small employer health benefit plan.

(14) In determining whether a preexisting condition provision applies to an individual covered by a small employer health benefit plan, the small employer carrier must credit the time the individual was covered under creditable coverage if the previous coverage was in effect at any time during the 12 months preceding the effective date of coverage under a small employer health benefit plan. Any waiting period that applied before that coverage became effective also must be credited against the preexisting condition provision period. For instance, Individual B is covered under an individual health insurance policy for 18 months beginning May 1, 2014, through November 30, 2015, followed by a four-month gap in coverage from December 1, 2015, to March 31, 2016. On April 1, 2016, Individual B is covered under a group health plan for three months through June 30, 2016, followed by a two-month gap in coverage until August 31, 2016. Individual B's coverage became effective on September 1, 2016. Under this example, since there was a significant break in coverage, to determine the length of creditable coverage, the small employer carrier counts the creditable coverage the individual had for the 12-month period preceding the effective date of the individual's coverage under the small employer health benefit plan. Individual B has creditable coverage of six months and the issuer of the small employer health benefit plan may impose a preexisting condition limitation for six months on Individual B.

(15) A small employer may establish a waiting period in accordance with Insurance Code §1501.156. On completion of the waiting period and enrollment within the time frame allowed by §26.7(h) of this title (relating to Requirement to Insure Entire Groups), coverage must be effective no later than the next premium due date. Coverage may be effective at an earlier date as agreed between the small employer and the small employer carrier.

(16) An HMO may impose an affiliation period in accordance with Insurance Code §1501.104, if the period is applied uniformly without regard to any health-status-related factor. The affiliation period may not exceed two months for an enrollee, other than a late enrollee, and may not exceed 90 days for a late enrollee. An affiliation period under a plan must run concurrently with any applicable waiting period under the plan. An HMO may not impose any preexisting condition limitation, except for an affiliation period.

(17) The imposition of an affiliation period by an HMO does not preclude application of any applicable waiting period as determined by the employer for all new entrants under a health benefit plan.

(18) An affiliation period provision in a small employer health benefit plan does not apply to an individual who would not be subject to a preexisting condition limitation in accordance with paragraphs (12) and (13) of this subsection.

(b) To determine if preexisting conditions exist, a small employer carrier must ascertain the source of previous or existing coverage of each eligible employee or dependent at the time the employee or dependent initially enrolls into the health benefit plan provided by the small employer carrier. The small employer carrier has the responsibility to contact the source of the previous or existing coverage to resolve any questions about the benefits or limitations related to that coverage in the absence of a creditable coverage certification form.

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 April 27, 2026.

TRD-202601811

Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 676-6555

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SUBCHAPTER C. LARGE EMPLOYER HEALTH INSURANCE REGULATIONS

28 TAC §26.305

STATUTORY AUTHORITY. TDI proposes amendments to §26.305 under Insurance Code §1501.010(1) and §36.001.

Insurance Code §1501.010(1) directs the commissioner to adopt rules necessary to implement Insurance Code Chapter 1501.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. Section 26.305 implements Insurance Code §1501.607, as amended by SB 896.

§26.305. Enrollment.

(a) Periods provided for enrollment in and application for any health benefit plan provided to a large employer group must comply with the following.[~~:~~]

(1) The [~~the~~] initial enrollment period for the employees meeting the large employer's participation criteria must extend at least 31 consecutive days after the employee's initial date of employment, or, if the waiting period exceeds 31 days, at least 31 consecutive days after the date the new entrant completes the waiting period for coverage.[~~;~~]

(2) The [~~the~~] new entrant who meets the large employer's participation criteria must be notified of his or her opportunity to enroll at least 31 days in advance of the last date enrollment is permitted.[~~;~~]

(3) A [~~a~~] new entrant's application for coverage is timely if he or she submits the application within 31 consecutive days following the initial date of employment, or following the date the new entrant is eligible for coverage:

(A) in person;

(B) by mail, postmarked by the end of the specified period; or

(C) in an alternative method normally accepted by the large employer carrier, including facsimile transmission (fax), email, or web-based application.[~~; and~~]

(4) The [~~the~~] large employer carrier must provide an annual open enrollment period of at least 31 consecutive days.

(b) If dependent coverage is offered to enrollees under a large employer health benefit plan, the initial enrollment period for the dependents must be at least 31 consecutive days, with a 31-consecutive-day annual open enrollment period.

(c) A new employee who meets the participation criteria of a covered large employer may not be denied coverage if the application for coverage is received by the large employer carrier not later than the 31st day after the later of:

(1) the date on which the employment begins; or

(2) the date on which the waiting period established under Insurance Code §1501.606, [~~(~~]concerning Employee Enrollment; Waiting Period,[~~)~~] expires.

(d) If dependent coverage is offered to the enrollees under a large employer health benefit plan, a dependent of a new employee who meets the participation criteria established by the large employer may not be denied coverage if the application for coverage is received by the large employer carrier not later than the 31st day after the later of:

(1) the date on which the employment begins;

(2) the date on which the waiting period established under Insurance Code §1501.606 expires; or

(3) the date on which the dependent becomes eligible for enrollment.

(e) A large employer carrier may not exclude any eligible employee who meets the participation criteria or an eligible dependent, including a late enrollee, who would otherwise be covered under a large employer group.

(f) A large employer health benefit plan may not limit or exclude initial coverage of a newborn child of a covered employee. Any coverage of a newborn child of an insured under this subsection terminates on the 61st [~~32nd~~] day after the date of the birth of the child unless:

(1) dependent children are eligible for coverage under the large employer health benefit plan; and

(2) notification of the birth and any required additional premium are received by the large employer not later than the 60th [~~31st~~] day after the date of birth. A large employer carrier may not terminate coverage of a newborn child if the carrier's billing cycle does not coincide with this 60-day [~~31-day~~] premium payment requirement, until the next billing cycle has occurred and there has been no payment [~~nonpayment~~] of the additional required premium[~~,~~] within 30 days of the due date of the premium.

(g) If dependent children are eligible for coverage under the large employer health benefit plan, a large employer health benefit plan may not limit or exclude initial coverage of an adopted child of an insured.

(h) If dependent children are eligible for coverage under the large employer health benefit plan, an adopted child of an insured may be enrolled, at the option of the insured, within either:

(1) 31 days after the [~~an~~] insured is a party in a suit for adoption; or

(2) 31 days of the date the adoption is final.

(i) Coverage of an adopted child of an employee terminates unless notification of the adoption and any required additional premiums are received by the large employer not later than either:

(1) the 31st day after the insured becomes a party in a suit in which the adoption of the child by the insured is sought; or

(2) the 31st day after the date of the adoption. A large employer carrier may not terminate coverage of an adopted child if the carrier's billing cycle does not coincide with this 31-day premium payment requirement, until the next billing cycle has occurred and there has been nonpayment of the additional required premium within 30 days of the date of the premium.

(j) For purposes of this section, "received by the large employer" within a specified period means that the item(s) must be postmarked by the specified period.

(k) If a newborn or adopted child is enrolled in a health benefit plan or other creditable coverage within the periods specified in this section, and subsequently enrolls in another health benefit plan without a significant break in coverage, the other plan may not impose any preexisting condition exclusion with regard to the child. If a newborn or adopted child is not enrolled within the periods specified in this section, then in accordance with §26.306(h) of this title (relating to Exclusions, Limitations, Waiting Periods, Affiliation Periods, Preexisting Conditions, and Restrictive Riders), the newborn or adopted child may be considered a late enrollee or excluded from coverage until the next open enrollment period.

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 April 27, 2026.

TRD-202601814
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: June 7, 2026
For further information, please call: (512) 676-6555

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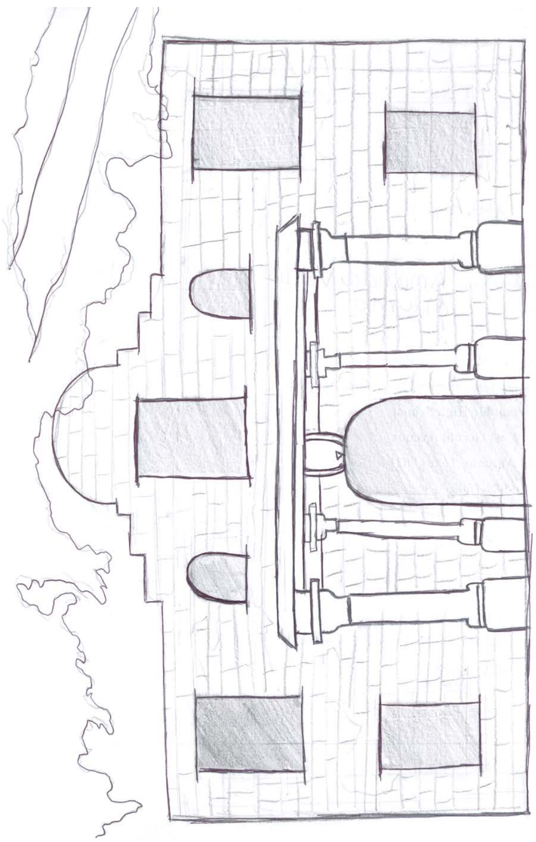

WITHDRAWN RULES

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 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 20. STATEWIDE PROCUREMENT AND SUPPORT SERVICES

SUBCHAPTER D. SOCIO-ECONOMIC PROGRAM

DIVISION 1. HISTORICALLY UNDERUTILIZED BUSINESSES

34 TAC §§20.281, 20.282, 20.284, 20.285, 20.288, 20.294 - 20.296, 20.298

The Comptroller of Public Accounts withdraws the emergency adoption of the amendments to §§20.281, 20.282, 20.284, 20.285, 20.288, 20.294 - 20.296, and 20.298, which appeared in the December 12, 2025, issue of the *Texas Register* (50 TexReg 7953).

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

TRD-202601740
Don Neal
General Counsel, Operations and Support Legal Services
Comptroller of Public Accounts
Effective date: May 12, 2026
For further information, please call: (512) 475-2220

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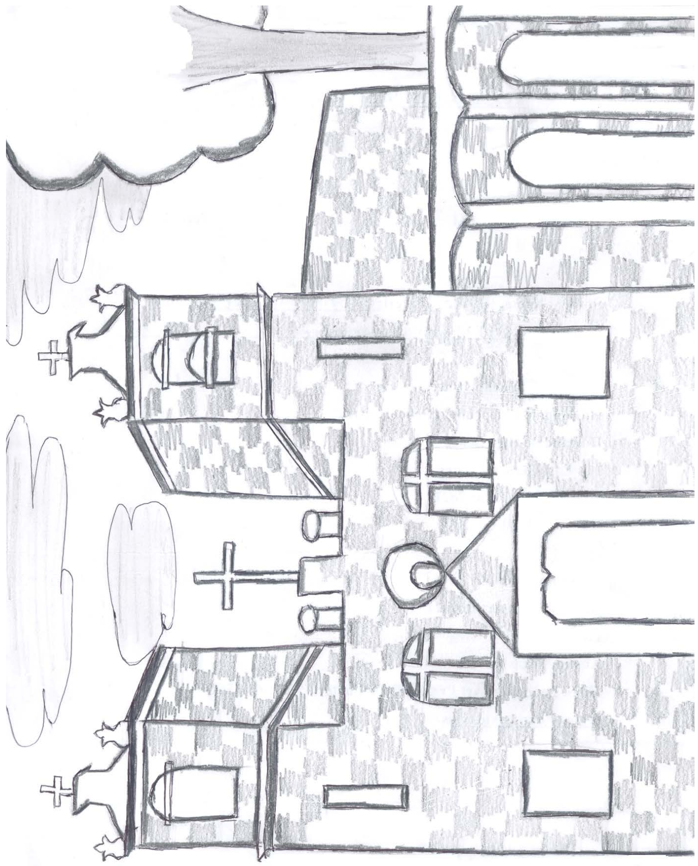

ADOPTED RULES

Adopted rules include new rules, amendments to existing rules, and repeals of existing rules. A rule adopted by a state agency takes effect 20 days after the date on which it is filed with the Secretary of State unless a later date is required by statute or specified in the rule (Government Code, §2001.036). If a rule is adopted without change to the text of the proposed rule, then the *Texas Register* does not republish the rule text here. If a rule is adopted with change to the text of the proposed rule, then the final rule text is included here. The final rule text will appear in the Texas Administrative Code on the effective date.

TITLE 1. ADMINISTRATION

PART 15. TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 355. REIMBURSEMENT RATES

SUBCHAPTER J. PURCHASED HEALTH SERVICES

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts amendments to §355.8443, concerning Reimbursement Methodology for School Health and Related Services (SHARS), and §355.8600, concerning Reimbursement Methodology for Ambulance Services.

Section 355.8443 and §355.8600 are adopted without changes to the proposed text as published in the February 13, 2026, issue of the *Texas Register* (51 TexReg 787). These rules will not be republished.

BACKGROUND AND JUSTIFICATION

The amendments are necessary to align the rules with current updated practices and reduce administrative burdens by modernizing the informal review process for cost reports.

COMMENTS

The 21-day comment period ended March 6, 2026.

During this period, HHSC received comments regarding the proposed rules from two commenters. HHSC received comments from the Texas Association of School Boards (TASB) and one individual that commented. All comments pertained to §355.8443. A summary of the comments and HHSC responses follows.

Comment: Two commenters stated concerns about cost report preparation and timelines for school districts to complete the cost reporting process. Commenters request at least a 90-day period between the cost report opening and the submission deadline, with advance written notice to school districts. One commenter requests that a 90-day period be established in the rule or a formal policy.

Response: HHSC declines to revise the rule in response to this comment. HHSC declines to include a fixed 90-day preparation period in rule, as the amended rule is intended to provide school districts flexibility in the cost reporting process by removing set deadlines and due dates. However, advance notice of due dates is necessary and will be provided through the State of Texas Electronic Provider System (STEPS) and email.

Comment: One commenter requests that HHSC establish clear procedures for system outages or technical issues. Additionally, the commenter requests automatic extensions if the cost report system is unavailable for an extended period, particularly near the submission deadline.

Response: HHSC declines to revise the rule in response to this comment. HHSC declines to process automatic extensions; however, under 1 TAC §355.105(c)(3), providers may submit requests for extensions which may be granted by HHSC for good cause. Additionally, with the new cost reporting system, a ticketing process is built in to address any system outages or other technical issues, and extensions can be easily requested within the new system in response to system outages or other issues.

Comment: One commenter requests that school districts receive confirmation that includes date, time, and verification of when a cost report is successfully submitted and accepted.

Response: HHSC declines to revise the rule in response to this comment. HHSC agrees that status updates should be included in the cost reporting process, however this will not be detailed in the rule text. With the new cost reporting system, status updates occur in real time, and notifications are provided within the system and sent via email.

Comment: One commenter requested that if a cost report due date falls on a weekend or state holiday, the deadline be moved to the next business day.

Response: HHSC declines to revise the rule in response to this comment. HHSC declines to amend the due date for SHARS cost reporting at this time. The rule provides that HHSC has flexibility to choose the due date for the report. This flexibility enables HHSC to choose a business day for the deadline. HHSC will continue to communicate due dates and reminders to the Primary Entity Contact in the new cost reporting system, via email, and through established communication channels.

Comment: Two commenters requested to formalize structured stakeholder engagement by creating a new advisory group or adding SHARS into an existing advisory body. Suggesting this approach would allow for identification of potential implementation challenges, clarify guidance, and support smoother program transitions.

Response: HHSC declines to revise the rule in response to this comment. The creation of an advisory committee is outside the scope of this rule proposal.

Comment: One commenter is concerned about communication to school districts, stating that many districts were unaware of this proposed rule change until it was placed on the Executive Council agenda and/or published in the *Texas Register*. The commenter stated that most school districts do not routinely monitor the *Texas Register* and rely on direct communication from HHSC about SHARS program changes. The commenter requests that HHSC communicate SHARS rule changes and reporting requirements directly to participating districts via established communication channels and the STEPS system. The commenter requests that HHSC provide direct email communication to district SHARS contacts on rule amendments, reporting timelines, and program updates.

Response: The notification process for rule making is outside the scope of the rule proposal. In addition to the Executive Council agenda and publication in the *Texas Register*, a GovDelivery notice was sent on December 2, 2025, with details on the transition to the new cost reporting system (STEPS) and announcing pending updates to the SHARS rule.

Comment: One commenter recommended that HHSC expand SHARS training opportunities, provide training in advance of major program changes, and provide refresher training and updated guidance when there are program or system changes.

Response: HHSC declines to revise the rule in response to this comment. Training programs are outside the scope of the rule proposal. However, with the implementation of STEPS, new training will be accessible and updated annually.

DIVISION 23. EARLY AND PERIODIC SCREENING, DIAGNOSIS, AND TREATMENT (EPSDT)

1 TAC §355.8443

STATUTORY AUTHORITY

The amendment is adopted 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; Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rulemaking authority; Texas Human Resources Code §32.021 and Texas Government Code §532.0051, which provide HHSC with the authority to administer the federal medical assistance (Medicaid) program in Texas; and Texas Government Code §532.0057(a), which establishes HHSC as the agency responsible for adopting reasonable rules governing the determination of fees, charges, and rates for Medicaid payments under Texas Human Resources Code Chapter 32.

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 April 23, 2026.

TRD-202601745
Karen Ray
Chief Counsel
Texas Health and Human Services Commission
Effective date: May 13, 2026
Proposal publication date: February 13, 2026
For further information, please call: (512) 730-7475

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DIVISION 31. AMBULANCE SERVICES

1 TAC §355.8600

STATUTORY AUTHORITY

The amendment is adopted 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; Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rulemaking authority; Texas Human Resources Code §32.021 and Texas Government Code §532.0051, which provide HHSC with the authority to administer the federal medical assistance (Medicaid) program in Texas; and Texas Government Code §532.0057(a), which establishes HHSC as the agency responsible for adopting reasonable rules governing the determination of fees, charges, and rates for Medicaid payments under Texas Human Resources Code Chapter 32.

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 April 23, 2026.

TRD-202601746
Karen Ray
Chief Counsel
Texas Health and Human Services Commission
Effective date: May 13, 2026
Proposal publication date: February 13, 2026
For further information, please call: (512) 730-7475

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TITLE 19. EDUCATION

PART 1. TEXAS HIGHER EDUCATION COORDINATING BOARD

CHAPTER 1. AGENCY ADMINISTRATION

SUBCHAPTER D. RIGHT TO CORRECTION OF INCORRECT INFORMATION

19 TAC §§1.96 - 1.99

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 1, Subchapter D, §§1.96 - 1.99, Right to Correction of Incorrect Information, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 233). The rules will not be republished.

These rules are being repealed because they were determined to be no longer necessary during the four-year rule review.

Texas Education Code, §61.027, provides the Coordinating Board with rulemaking authority.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 61.027, which provides the Coordinating Board with rulemaking authority.

The adopted repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 1, Subchapter D.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on April 23, 2026.

TRD-202601747
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Effective date: May 13, 2026
Proposal publication date: January 16, 2026
For further information, please call: (512) 427-6375

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CHAPTER 2. ACADEMIC AND WORKFORCE EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §2.6

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 2, Subchapter A, §2.6, Administrative Completeness, with changes to the proposed text as published in the January 23, 2026, issue of the *Texas Register* (51 TexReg 361). The rule will be republished.

This amendment establishes clearer criteria that would warrant withdrawing and resubmitting an application for a new degree program based on changes made to the proposal after it is deemed administratively complete by the Coordinating Board.

Texas Education Code, §61.0512, requires the Coordinating Board to specify by rule the elements that constitute a completed application, make a determination of administrative completeness for each application, and review each application based on specific criteria including adequate financing.

Amendments to subsection (b) are designed to clarify for Board staff and institutions what type of information is required for an application to be administratively complete. Requests for additional program information may occur after a program is administratively complete and will not delay a request from being deemed administratively complete.

New subsection (c) specifies changes that significantly alter a proposed budget, intended labor market outcomes, academic focus, or other significant changes will result in requiring a new submission.

New subsection (d) requires that institutions obtain documentation of governing board approval of a revised degree program proposal submitted under subsection (c).

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Subsection (d) is amended to include that the Governing Board may delegate the approval of resubmissions to the appropriate System Administration Office.

The following comment was received regarding the adoption of the amendment.

Comment from UT System Office of Academic Affairs: The system requested additional language to allow for governing boards to delegate their approvals of revised proposals to the System Administration.

Response: The Coordinating Board agrees with the suggestion and has updated the rule text to reflect the proposed language.

The amendment is adopted under Texas Education Code, §61.0512, which requires the Coordinating Board to specify by rule the elements that constitute a completed application, make a determination of administrative completeness for each application, and review each application based on specific criteria including adequate financing.

The adopted amendment affects Texas Administrative Code, Chapter 2, Subchapter A.

§2.6. Administrative Completeness.

(a) An institution shall submit a complete application for each proposed program for which approval is required that includes:

(1) each element or item of information required by this subchapter;

(2) each element or item of information required by the subchapter in this chapter governing the type of program approval required;

(3) the required Board form for the type of program approval required; and

(4) fully executed certifications.

(b) Board Staff shall determine whether an application is administratively complete and notify the institution not later than the fifth business day after receipt.

(1) If Board Staff determines an application is administratively complete, the institution shall be notified on that date and the one-year timeline for approval required by Texas Education Code 61.0512(a) shall begin.

(2) If Board staff determines an application is administratively incomplete, the application will be rejected, and the institution will be notified of the missing application elements.

(3) An institution may resubmit an application that was rejected as incomplete at any time. The resubmission will be considered a new application.

(c) Significant revisions related to the General Criteria for Program Approval, as defined in §2.5 of this subchapter (relating to General Criteria for Program Approval), made to a new degree program proposal after Board Staff determines an application to be administratively complete shall render the application to be incomplete and require resubmission of a new application. Significant revisions, as determined by the Assistant Commissioner, include:

(1) Revisions that result in significant alterations of the original proposed budget including, but not limited to:

(A) New costs or funding streams;

(B) Changes to enrollment projections;

(C) Changes to student funding, tuition, or fees;

(D) Changes to the faculty or staff hiring schedule; or

(E) Addition of, or changes to, resources or facilities required to administer the degree program.

(2) Revisions to the curriculum that significantly alter the academic focus or intended labor market outcomes for students enrolled in the degree program; or

(3) Other significant changes that result in the proposed program no longer meeting the criteria defined in §2.5(a)(5) of this subchapter.

(d) A resubmitted application submitted under the requirements of subsection (c) of this section shall require documentation of approval of the revisions from the institution's governing board. The Governing Board may delegate the approval of resubmissions to the appropriate System Administration Office.

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 April 23, 2026.

TRD-202601748
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Effective date: May 13, 2026
Proposal publication date: January 23, 2026
For further information, please call: (512) 427-6182

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CHAPTER 4. RULES APPLYING TO ALL PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §4.10

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 4, Subchapter A, §4.10, Common Admission Application Forms, without changes to the proposed text as published in the January 23, 2026, issue of the *Texas Register* (51 TexReg 362). The rule will not be republished.

This amendment adds the definition for private or independent institution of higher education and aligns language with legislative requirements related to Free College Application Week.

Texas Education Code, §51.762, provides the Coordinating Board with the authority to adopt rules for the Common Admission Application Forms, and §61.0731, provides the Coordinating Board with the authority to establish rules to implement Free College Application Week.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 51.762, which provides the Coordinating Board with the authority to adopt rules for the Common Admission Application Forms, and Section 61.0731, which provides the Coordinating Board with the authority to establish rules to implement Free College Application Week.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter A.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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SUBCHAPTER B. TRANSFER OF CREDIT, CORE CURRICULUM AND FIELD OF STUDY CURRICULA

19 TAC §4.22, §4.41

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter B, §4.22, and new §4.41, Transfer of Credit, Core Curriculum and Field of Study Curricula without changes to the proposed text as published in the February 27, 2026, issue of the *Texas Register* (51 TexReg 1229). The rules will not be republished.

The amendment and new section implements the transfer reporting requirements outlined in Senate Bill 3039, 89th Texas Legislature, Regular Session.

Texas Education Code, §51.4033, authorizes the Coordinating Board to adopt rules related to transfer reporting for public institutions of higher education in Texas.

Rule 4.22, Authority, amends authority for the subchapter.

Rule 4.41, Requirements and Procedures for Transfer Reporting, is created to implement transfer reporting requirements established during the 89th Texas legislative session. The new rule specifies the data reporting required of institutions and the surveying required of the Coordinating Board.

The following comments were received regarding the adoption of the amendments and new rule.

Comment: Educate Texas commented a recommendation to provide more detail and clarity in the reporting of credit denials in the CBM00T including whether a course was denied as part of the major or generally denied, and improving reporting categories related to the rationale for credit denial.

Response: The Coordinating Board thanks Educate Texas for its comment. The agency is currently assessing options for adjusting how denied courses are reported on the CBM00T. The proposed rules provide enough flexibility to make adjustments to reporting categories for credit denials, as needed, and so no rule amendments are required. Such a change may be addressed in the THECB's reporting and procedure manuals.

Comment: Educate Texas commented a recommendation to explicitly list reporting requirements for Texas Direct and Field of Study Curriculum.

Response: The Coordinating Board thanks Educate Texas for its comment. The proposed rules require reporting on degree alignment and curriculum coordination, which provides the agency with authority to require reporting specifically on Texas Direct and Field of Study Curriculum in survey and/or CBM reporting. No rule amendments are required to implement this requirement.

The amendment and new section are adopted under Texas Education Code, Section 51.4033, which authorizes the Coordinating Board to adopt rules related to transfer reporting for public institutions of higher education in Texas.

The adopted amendment and new section affects Texas Education Code, Section 51.4033.

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. DUAL CREDIT PARTNERSHIPS BETWEEN SECONDARY SCHOOLS AND TEXAS PUBLIC COLLEGES

19 TAC §§4.83 - 4.85

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 4, Subchapter D, §§4.83 - 4.85, with changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 233). The rules will republished.

This amendment implements the requirements of House Bill 3041, 89th Texas Legislature, Regular Session by providing regulations on the institutional obligations related to establishing institutional agreements with home schools and the offering of dual credit courses to home school students.

Texas Education Code, §28.009(b) provides authority to the Coordinating Board to adopt rules on dual credit.

Section 4.83, Definitions, is amended to add a definition of Home School for the purposes of this subchapter and to make grammatical changes to update the rules to Texas Register standards.

Section 4.84, Institutional Agreements, is amended to add new Subsection (d) to outline requirements for institutions regarding development of institutional agreements with home schools and to make grammatical changes to update the rules to Texas Register standards.

Section 4.85(a), Dual Credit Requirements, is amended to make grammatical changes to update the rules to Texas Register standards.

Section 4.85(b), Dual Credit Requirements, is amended to specifically include dual credit eligibility requirements for students enrolled in home schools.

Section 4.85(c), Dual Credit Requirements, is amended to clarify the requirements for institutions regarding the location in which a dual credit course can be offered to a home school student.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Section 4.83, Definitions, is amended to reflect that the definition of Home School is a type of private school.

Section 4.84, Institutional Agreements, is amended in (d)(1) to reduce confusion created with the use of the term "consider" and substitute that term with "accept."

Section 4.84, Institutional Agreements, is amended in (d)(2) to clarify that institutions must comply with the requirements provided in rule if agreements are developed.

Section 4.85, Dual Credit Requirements, is amended to remove confusing language regarding requirements related to offering a dual credit course only at a high school.

The following comments were received regarding the adoption of the amendments.

Comments received from the Texas Home School Coalition:

Comment: A recommendation to add the word "private" to the definition of a Home School in §4.83(13). A suggested revised definition was provided.

Response: The rule is amended to add "private" to the definition of a Home School in 4.83(13).

Comment: A concern regarding §4.84(d)(1) that the language "consider or offer" an institutional agreement with a home school does not impose a meaningful obligation and could allow an institution to satisfy the rule through a purely formal review that results in denial of an agreement. A concern regarding §4.84(d)(2) was also raised that the language in the final sentence could be interpreted by an institution that does not need to comply with the statutory requirements of §51.9675. Amendments to §4.84(d)(2) were suggested to address both concerns.

Response: Section 4.82(d)(2) specifically prohibits an institution from denying, delaying, or obstructing the provision or execution of an agreement with a home school, or subject a home school to additional criteria, conditions or requirements. Given the apparent confusion created with the use of the term "consider" in §4.84(1), the Coordinating Board is substituting that term with "accept." The Coordinating Board also modifies the last sentence in §4.82(d)(2) to clarify that institution's retain authority over institutional agreements and must comply with the requirements set forth in statute and rule.

Comment: A concern regarding §4.85(c) that the language does not provide equal access to dual credit courses offered. The comment suggested that if a homeschool student cannot access a dual credit course offered at a public high school, the equal access mandate requires that the institution of higher education allow the home school student to enroll in, and receive dual credit for, another section of the same course offered through distance education or at the institution of higher education's campus. Amendments to §4.85(c)(1) and (2) were suggested.

Response: The rule is amended by striking the "If an institution offers a section of a dual credit course only on a high school campus" in §4.85(c)(3).

Comments received from a Homeschool Administrator:

Comment: A concern regarding §4.84(1) that the language "similarly consider or offer an institution agreement with a homeschool" does not *require* an institution of higher education to offer a dual credit agreement to a homeschool. Alternative suggested language was provided.

Response: Given the apparent confusion created with the use of the term "consider" in §4.84(1), the coordinating board is substituting that term with "accept."

Comment: A concern regarding §4.84(2) that the language "final decisions regarding such agreements remain at the discretion of the institution" will lead to discrimination against homeschool students. The comment requested that the sentence be deleted from the rule.

Response: Section 4.82(d)(2) specifically prohibits an institution from denying, delaying, or obstructing the provision or execution of an agreement with a home school, or subject a home school to additional criteria, conditions or requirements. The Coordinating Board modifies the last sentence in §4.82(d)(2) to clarify that institution's retain authority over institutional agreements and must comply with the equal access requirements in accepting or offering dual credit agreements. The Coordinating Board does not have enforcement authority to require institutions to develop dual credit partnership agreements or the terms of such agreements.

Comment: A concern regarding §4.85(2) that the language allows the institution to offer dual credit in only one modality, or not at all.

Response: As long as an institution is providing access to dual credit courses in the same modality options to all dual credit students, regardless of what type of high school they attend, it is providing equal access. Universities are not mandated to offer dual credit courses.

Comment: A concern regarding §4.85(c)(3) that the language discriminates against home school students because it does not require institutions that offer a dual credit course *only* at a high school to create a separate section of the course for a home school student.

Response: The rule is amended by striking "If an institution offers a section of a dual credit course only on a high school campus" in §4.85(c)(3).

The amendment is adopted under Texas Education Code, Section 28.009(b), which provides authority to the Coordinating Board to adopt rules on dual credit.

The adopted amendment affects Texas Education Code, Sections 51.9675 and 28.009(b).

§4.83. Definitions.

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

(1) Avocational Course--A course of study in a subject or activity that is usually engaged in by a person in addition to the person's regular work or profession for recreation or in relation to a hobby, including a community interest course, as defined in Education Code, §130.351(2).

(2) Board--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(3) Career and Technical Education Course--A workforce or continuing education college course offered by an institution of higher education for which a high school student may earn credit toward satisfaction of a requirement necessary to obtain an industry-recognized credential, certificate, or associate degree.

(A) A career and technical education course is listed in the Workforce Education Course Manual (WECM).

(B) For the purpose of this subchapter, this definition excludes:

(i) an avocational course;

(ii) a continuing education course that is ineligible for conversion as articulated college credit; and

(iii) a continuing education course that does not meet the institution's program or instructor accreditation standards.

(4) Certificate--A Certificate Program as defined in Education Code, §61.003(12).

(5) College Board Advanced Placement (also referred to as Advanced Placement or AP)--College-level courses and exams available to secondary students under the auspices of an approved College Board program.

(6) Commissioner--The Commissioner of Higher Education.

(7) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including the agency staff.

(8) Credit--College credit earned through the successful completion of a college career and technical education or academic course that fulfills specific requirements necessary to obtain an industry-recognized credential, certificate, associate degree, or other academic degree.

(9) Degree-Seeking Student--A student who has filed a degree plan with an institution of higher education or is required to do so pursuant to Education Code §51.9685.

(10) Dual Credit Course or Dual Enrollment Course--A course that meets the following requirements:

(A) The course is offered pursuant to an agreement under §4.84 of this subchapter (relating to Institutional Agreements).

(B) A course for which the student may earn one or more of the following types of credit:

(i) joint high school and junior college credit under Education Code, §130.008, or

(ii) another course offered by an institution of higher education, for which a high school student may earn semester credit hours or equivalent of semester credit hours toward satisfaction of:

(I) a course defined in paragraph (3) of this section that satisfies a requirement necessary to obtain an industry-recognized credential, certificate, or an associate degree;

(II) a foreign language requirement at an institution of higher education;

(III) a requirement in the core curriculum, as that term is defined by Education Code, §61.821, at an institution of higher education; or

(IV) a requirement in a field of study curriculum developed by the Coordinating Board under Education Code, §61.823.

(C) Dual credit includes a course for which a high school student may earn credit only at an institution of higher education (previously referred to as a dual enrollment course) if the course meets the requirements of this section.

(D) A student may earn a single grade toward both the college course and the high school credit or may earn two separate grades where the high school grade only reflects a student's mastery of secondary content.

(E) Dual credit and dual enrollment are synonymous in Title 19, Part 1 of these rules unless otherwise expressly provided by rule.

(F) Each dual credit course must meet the requirements of this subchapter.

(11) Equivalent of a Semester Credit Hour--A unit of measurement for a continuing education course, determined as a ratio of one continuing education unit to 10 contact hours of instruction. This may be expressed as a decimal of 1.6 continuing education units of instruction which equals one semester credit hour of instruction. In a continuing education course, not fewer than 16 contact hours are equivalent to one semester credit hour.

(12) Field of Study Curriculum (FOSC)--A Board-approved set of courses authorized under Subchapter B of this chapter (relating to Transfer of Credit, Core Curriculum and Field of Study Curricula) that satisfies lower-division requirements for a baccalaureate degree in a specific academic area at a general academic teaching institution. A field of study curriculum is designed to facilitate transfer of courses toward designated academic degree programs at public junior colleges, public technical institutes, or universities.

(13) Home School--A private school that provides secondary education instruction in a bona fide manner from curriculum designed to meet basic education goals at or through a child's home by the parent or a person standing in parental authority.

(14) Institution of Higher Education or Institution--A public institution of higher education as defined in Education Code, §61.003(8).

(15) International Baccalaureate Diploma Program (also referred to as IB)--The curriculum and examinations leading to an International Baccalaureate diploma awarded by the International Baccalaureate Organization.

(16) Locally Articulated College Credit--Credit earned through a high school course that fulfills specific requirements identified by a college for a career and technical education course and provides a pathway for high school students to earn credit toward a technical certificate or technical degree at a partnering institution of higher education upon high school graduation.

(17) Program of Study Curriculum (POSC)--A block of courses which is designed to progress in content specificity for an industry or career cluster while also incorporating rigorous college and career readiness standards, authorized under Education Code §61.8235. A POSC generally incorporates multiple entry and exit points for participating students with portable demonstrations of technical or career competency, including credit transfer agreements or industry-recognized credentials.

(18) Public Two-Year College--Any public junior college, public technical institute, or public state college as defined in Education Code, §61.003.

(19) School District--Under this subchapter, school district includes a charter school or district operating under Education Code, chapter 12, unless otherwise specified.

(20) Semester Credit Hour--A unit of measure of instruction, represented in intended learning outcomes and verified by evidence of student achievement, that reasonably approximates one hour of classroom instruction or direct faculty instruction and a minimum of two hours out of class student work for each week over a 15-week period in a semester system or the equivalent amount of work over a different amount of time. An institution is responsible for determining the appropriate number of semester credit hours awarded for its programs in accordance with federal definitions, requirements of the institution's accreditor, and commonly accepted practices in higher education.

§4.84. Institutional Agreements.

(a) Need for Institutional Agreements. For any dual credit partnership between a school district or private school and an institution, an agreement must be approved by the governing boards or designated authorities (e.g., superintendent or chief academic officer) of both the public school district or private secondary school, as applicable, and the institution prior to the offering of such courses. Each institution shall report to the Coordinating Board a list of school districts and private schools with which it has agreements under this section, and the URL where these agreements are posted on the institution's Internet website.

(b) Elements of Institutional Agreements. An Institutional Agreement entered into or renewed between an institution and a school district or private school, including a memorandum of understanding or articulation agreement, shall include the following elements:

(1) Eligible Courses;

(2) Student Eligibility;

(3) Location of Class;

(4) Student Composition of Class;

(5) Faculty Selection, Supervision, and Evaluation;

(6) Course Curriculum, Instruction, and Grading;

(7) Academic Policies and Student Support Services;

(8) Transcripting of Credit;

(9) Funding, including the sources of funding for courses offered under the program, including, at a minimum, the sources of funding for tuition, transportation, and any required fees, instructional materials, or textbooks for students participating in the program, including for students eligible to take dual credit courses at no cost to the student under the FAST program, under Texas Administrative Code, Chapter 13, Subchapter Q;

(10) All requirements for joint implementation of the FAST program under Education Code, §28.0095, including ensuring the accurate and timely exchange of information necessary for an eligible student to enroll at no cost in a dual credit course, for eligible public schools and students participating in the FAST program, under Texas Administrative Code, Chapter 13, Subchapter Q;

(11) Defined sequences of courses that apply to academic or career and technical education program requirements at the institution or industry-recognized credentials, where applicable;

(12) Specific program goals aligned with the statewide goals developed under Education Code, §§28.009(b-1), 130A.004, and 130A.101(c)(3);

(13) Coordinated advising strategies and terminology related to dual credit and college readiness, including strategies to assist students in selecting courses that will satisfy applicable high school and college requirements for the student's intended program;

(14) Provision for the alignment of endorsements described by Education Code, §28.025(c-1), offered by the school district and dual credit courses offered under the agreement that apply toward those endorsements with postsecondary pathways and credentials at the institution and industry-recognized credentials;

(15) Identification of tools, including online resources developed by the Texas Education Agency, Coordinating Board, or the Texas Workforce Commission, to assist counselors, students, and families in selecting endorsements offered by the school district and college courses offered by the institution under the agreement;

(16) A procedure for establishing the course credits that may be earned under the agreement, including developing a course equivalency crosswalk or other method of identifying the number of high school and college credits that may be earned for each course completed through the program;

(17) A description of the academic supports and, if applicable, other support that will be provided to students participating in the program (e.g., transportation to and from a college campus);

(18) The respective roles and responsibilities of the institution of higher education and the school district or private school in providing the program and ensuring the quality of instruction and instructional rigor of the program;

(19) A requirement that the school district and the institution consider the use of free or low-cost open educational resources in courses offered under the program; and

(20) Designation of at least one employee of the school district or private school, or the institution as responsible for providing academic advising to a student who enrolls in a dual credit course under the program before the student begins the course.

(c) Each Agreement must be posted each year on the institution of higher education's and the school district's respective Internet websites.

(d) Institutional Agreements for Dual Credit Purposes Between Institutions and Home Schools.

(1) An institution that has an institutional agreement with a public school district, charter school or private secondary school for the purpose of a dual credit partnership shall similarly accept or offer an institutional agreement with a home school.

(2) An institution may not, on the basis that a school is a home school, deny, delay, or obstruct the provision or execution of an institutional agreement with the home school, or impose additional criteria, conditions, or requirements pertaining to the institutional agreement that would not otherwise be applicable to institutional agreements with a public school district, charter school or private secondary school. Final decisions regarding such agreements remain at the discretion of the institution, provided it otherwise complies with the requirements of this section.

(3) For the purpose of approving, signing, and executing an institutional agreement between an institution and a home school, the institution shall recognize a home school as having equivalent approval and signatory authority to a private secondary school as described by subsection (a) of this section.

§4.85. Dual Credit Requirements.

(a) Eligible Courses.

(1) An institution may offer any dual credit course as defined in §4.83(11) of this subchapter (relating to Definitions).

(2) A dual credit course offered by an institution must be in the approved undergraduate course inventory of the institution.

(3) An Early College High School may offer any dual credit course as defined in §4.83(11) or Texas Education Code, §28.009 and §130.008, subject to the provisions of Subchapter G of this chapter (relating to Early College High Schools).

(4) An institution may not offer a remedial or developmental education course for dual credit. This limitation does not prohibit an institution from offering a dual credit course that incorporates Non-Course-Based College Readiness content or other academic support designed to increase the likelihood of student success in the college course, including any course offered under §4.86 of this subchapter (relating to Optional Dual Credit Program: College Connect Courses).

(b) Student Eligibility.

(1) A high school student who attends a public school, private school, parochial school, or a home school so long as the student is at least 16 years of age, is eligible to enroll in dual credit courses if the student:

(A) is not a degree-seeking student as defined in §4.83(10) of this subchapter (relating to Definitions);

(B) demonstrates that he or she is exempt under the provisions of the Texas Success Initiative as set forth in §4.54 of this chapter (relating to Exemption);

(C) demonstrates college readiness by achieving the minimum passing standards under the provisions of the Texas Success Initiative as set forth in §4.57 of this chapter (relating to Texas Success Initiative Assessment College Readiness Standards) on relevant section(s) of an assessment instrument approved by the Board as set forth in §4.56 of this chapter (relating to Assessment Instrument); or

(D) Meets the eligibility requirements for a Texas First Diploma under §21.52 of this title (relating to Eligibility for Texas First Diploma).

(2) In admitting or enrolling students in a dual credit course, an institution shall apply the same enrollment and admission criteria and conditions for a high school student who attends a public, private, parochial, or home school, in accordance with Texas Education Code, §51.9675.

(3) An institution may require a student who seeks to enroll in a dual credit course to meet all the institution's regular prerequisite requirements designated for that course (e.g., a minimum score on a specified placement test, minimum grade in a specified previous course, etc.).

(4) An institution may impose additional requirements for enrollment in specific dual credit courses that do not conflict with this subchapter.

(5) An institution is not required, under the provisions of this section, to offer dual credit courses for high school students.

(c) Location of Class. An institution may teach dual credit courses on the college or university campus or on the high school campus.

(1) For dual credit courses taught exclusively to high school students on the high school campus and for dual credit courses taught via distance education, the institution shall comply with Chapter 2, Subchapter J, of this title (relating to Approval of Distance Education for Public Institutions).

(2) An institution may offer the same dual credit course to a high school student who attends a public, private, parochial, or home school, through an alternate delivery method (e.g., distance education, asynchronous online, or hybrid format) if the existing method is not reasonably accessible to that student.

(3) An institution is not required to create an additional section of the same course in another format or location (e.g., on campus, distance education, asynchronous online, or hybrid) to serve high school students.

(d) Composition of Class. A dual credit course may be composed of dual credit students only or of a mixture of dual credit and college students. Notwithstanding the requirements of subsection (e) of this section, exceptions for a mixed class that combines dual credit students and high school credit-only students may be allowed when the creation of a high school credit-only class is not financially viable for the high school and only under one of the following conditions:

(1) If the course involved is required for completion under the State Board of Education High School Program graduation requirements;

(2) If the high school credit-only students are College Board Advanced Placement or International Baccalaureate students; or

(3) If the course is a career and technical education course and the high school credit-only students are eligible to earn articulated college credit.

(e) Faculty Selection, Supervision, and Evaluation. Each institution shall apply the standards for selection, supervision, and evaluation for instructors of dual credit courses as required by the institution's accreditor. A high school teacher may only teach a high school course offered through a dual credit agreement if the teacher is approved by the institution offering the dual credit course.

(f) Course Curriculum, Instruction, and Grading. The institution shall ensure that a dual credit course offered at a high school is at least equivalent in quality to the corresponding course offered at the main campus of the institution with respect to academic rigor, curriculum, materials, instruction, and methods of student evaluation. These standards must be upheld regardless of the student composition of the class, location, and mode of delivery.

(g) Academic Policies and Student Support Services.

(1) Regular academic policies applicable to courses taught at an institution's main campus must also apply to dual credit courses. These policies may include the appeal process for disputed grades, drop policy, the communication of grading policy to students, when the syllabus must be distributed, etc. Additionally, each institution is strongly encouraged to provide maximum flexibility to high school students in dual credit courses, consistent with the institution's academic policies, especially with regard to drop policies, to encourage students to attempt rigorous courses without potential long-term adverse impacts on students' academic records.

(2) Each student in a dual credit course must be eligible to utilize support services that are appropriate for dual credit students. The institution is responsible for ensuring timely and efficient access to such services (e.g., academic advising and counseling), to learning materials (e.g., library resources), and to other benefits for which the student may be eligible.

(3) A student enrolled in a dual credit course at an institution shall file a degree plan with the institution as prescribed by Texas Education Code, §51.9685.

(h) Transcripting of Credit. Each institution or high school shall immediately transcript the credit earned by a student upon a student's completion of the performance required in the course.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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Texas Higher Education Coordinating Board
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SUBCHAPTER F. TEXAS STATE SCIENCE AND ENGINEERING FAIR

19 TAC §§4.131 - 4.135

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 4, Subchapter F, §§4.131 - 4.135, Texas State Science and Engineering Fair, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 237). The rules will not be republished.

This repeal removed unnecessary rules in the Texas Administrative Code that are no longer needed.

Texas Education Code, §61.027, authorizes the Coordinating Board to adopt and repeal rules. The statute related to these rules has been repealed, and so the Coordinating Board has determined that the rules are no longer required.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 61.027, which provides the Coordinating Board with the authority to adopt and repeal rules.

The adopted repeal affects Texas Education Code, Section 61.027.

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 U. RECOMMENDED COURSE SEQUENCING; DEVELOPMENT AND INSTITUTIONAL REPORTING

19 TAC §§4.360 - 4.364

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 4, Subchapter U, §§4.360 - 4.364, Recommended Course Sequencing; Development and Institutional Reporting without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 238). The rules will not be republished.

This repeal of existing rules is required to propose new rules for the subchapter that will streamline reporting requirements and implement new statutory degree plan requirements. Replacement rules will be proposed at the same time under separate rulemaking.

Texas Education Code, §61.027, authorizes the Coordinating Board to adopt and repeal rules.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 61.027, which provides the Coordinating Board with the authority to adopt and repeal rules.

The adopted repeal affects Texas Education Code, Section 61.027.

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 U. REQUIRED DEGREE AND COURSE PLANNING

19 TAC §§4.360 - 4.365

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 4, Subchapter U, §4.363, Required Degree and Course Planning with changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 239). The rule will be republished. Sections 4.360 - 4.362, 4.364, and 4.365, are adopted without changes and will not be republished.

This new section will implement degree and certificate plan transparency requirements of Senate Bill (SB) 3039, 89th Texas Legislature, Regular Session and update the degree planning and reporting requirements related to Texas Education Code (TEC), §51.96852, to better align with updated compliance practices at the Coordinating Board. These new rules will replace existing rules in Chapter 4, Subchapter U, which will be repealed at the same time. The Coordinating Board used negotiated rulemaking to develop these adopted rules. The Coordinating Board will make reports of negotiated rulemaking committees available upon request.

Section 4.360, Purpose, establishes that the purpose of the subchapter is to establish requirements for institutions related to degree and course planning in alignment with statutory obligations.

Section 4.361, Authority, outlines the statutory authority for rule adoption by the Coordinating Board.

Section 4.362, Applicability, specifies which degree program the rules apply to, and clarifies that §4.364 is applicable only to academic undergraduate degree programs.

Section 4.363, Definitions, establishes definitions for key terms relevant to the subchapter, and establishes a new definition for a "Program Plan" that is designed to be broadly applicable to all types of degree plans.

Section 4.364, Certificate and Degree Program Plan Transparency, implements the requirements of SB 3039, 89th Texas Legislature, Regular Session under TEC, §61.07771.

Section 4.365, Requirements and Reporting for Undergraduate Program Plans, outlines degree planning and reporting requirements specific to academic undergraduate degree program plans as required by TEC, §51.96852. This section also proposes shifting the reporting requirements from an annual submission to a submission every five years, to follow the five-year review cycle for the core curriculum as required by TEC, §51.315.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Section 4.363 is amended to fix a reference typo for Degree Program in Definitions.

The following comment was received regarding the adoption of the new rule.

Comment from Texas Tech University System: The system expressed concern regarding the significant coordination and level of communication amongst university departments and the evolving nature and liability of degree planning. Additionally, the system requested alignment with existing State and Federal requirements regarding reporting.

Response: The Coordinating Board appreciates feedback from the system and acknowledges that the maintenance of all degree and certificates can be a significant undertaking, especially for large institutions. Section 4.364, is aligned with required compliance practices as directed in Texas Education Code, §61.07771, implemented through the SB 3039, 89th Texas Legislature, Regular Session. The reporting requirements in the rule (now every five years instead of annual) align with the timeline for the required core curriculum review requirements in §4.30 of this title and reflect a more streamlined reporting process than previously required. The Coordinating Board will provide additional implementation guidance upon adoption.

The new sections are adopted under Texas Education Code, Section 61.07771, and Section 51.96852, which provides the Coordinating Board with the authority to adopt rules relating to the implementation of these statutes.

The adopted new sections affect Texas Education Code, Section 61.07771, and Section 51.96852.

§4.363. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless otherwise defined in the subchapter:

(1) Board--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(2) Certificate Program--Has the meaning as defined in §2.3(12) of this title (relating to Definitions).

(3) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(4) Degree Program--Has the meaning prescribed in §2.3(19) of this title.

(5) Lower-Division Academic Course Guide Manual (ACGM)--A publication listing academic courses, as defined in §4.23(13) of this title (relating to Definitions).

(6) Program Plan--A recommended sequence of courses by semester, term, or enrollment period that will satisfy the requirement for a student to complete a certificate or degree program.

(7) Texas Common Course Numbering System (TCCNS)--A common course numbering system, as defined in §4.23(10) of this title, and authorized by Texas Education Code, §61.832.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
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CHAPTER 5. RULES APPLYING TO PUBLIC UNIVERSITIES, HEALTH-RELATED INSTITUTIONS, AND/OR SELECTED PUBLIC COLLEGES OF HIGHER EDUCATION IN TEXAS
SUBCHAPTER D. OPERATION OF OFF-CAMPUS EDUCATIONAL UNITS OF PUBLIC SENIOR COLLEGES, UNIVERSITIES AND HEALTH-RELATED INSTITUTIONS

19 TAC §§5.71 - 5.73, 5.76, 5.78

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 5, Subchapter D, §§5.71 - 5.73, 5.76, and 5.78, Operation of Off-Campus Educational Units of Public Senior Colleges, Universities and Health-Related Institutions, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 241). The rules will not be republished.

This repeal removes existing requirements for universities and health-related institutions to seek prior approval from the Coordinating Board to establish an off-campus educational unit. Texas Education Code, §61.027, authorizes the Coordinating Board to adopt and repeal rules. The Coordinating Board has determined that statutory authority to require this approval does not exist, and therefore the rules are being repealed.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 61.027, which provides the Coordinating Board with the authority to adopt and repeal rules.

The adopted repeal affects Texas Education Code, Section 61.027.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 6. HEALTH EDUCATION, TRAINING, AND RESEARCH FUNDS
SUBCHAPTER K. AUTISM GRANT PROGRAM

19 TAC §§6.210 - 6.218

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 6, Subchapter K, §§6.210 - 6.218, Autism Grant Program, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 242). The rules will not be republished.

This repeal shifts the grant administration rules for this program to more general rules designed for grant programs that do not have statutory authority for rulemaking and are only required by riders. Moving forward, the Autism Grant Program will be administered using rules in Chapter 10, Subchapter A.

Texas Education Code, §61.027, authorizes the Coordinating Board to adopt and repeal rules. The Coordinating Board has determined that statutory authority for specific rulemaking of this grant program does not exist and therefore the rules are being repealed.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Section 61.027, which provides the Coordinating Board with the authority to adopt and repeal rules.

The adopted repeal affects Texas Education Code, Section 61.027.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 8. CREATION, EXPANSION, DISSOLUTION, OR CONSERVATORSHIP OF PUBLIC COMMUNITY COLLEGE DISTRICTS
SUBCHAPTER D. FORMATION OF A BRANCH CAMPUS

19 TAC §§8.71 - 8.76

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 8, Subchapter D, §§8.71 - 8.76, Formation of A Branch Campus, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 242). The rules will not be republished.

This repeal removes sections to allow the Coordinating Board to establish new updated rules to be considered for adoption at the April 2026 Board Meeting.

Texas Education Code, §61.053, §61.061, §61.063(c) - (d), §130.001(b)(3) - (4), and §130.251, provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to define, establish, and authorize a branch campus and to provide rules and regulations for a public community college district to operate such a campus.

No comments were received regarding the adoption of the repeal.

The repeal is adopted under Texas Education Code, Sections 61.053, 61.061, 61.063(c) - (d), 130.001(b)(3) - (4), and 130.251, which provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to define, establish, and authorize a branch campus and to provide rules and regulations for a public community college district to operate such a campus.

The adopted repeal affects Texas Education Code, Sections 6.053, 61.061, 61.063(c) - (d), 130.001(b)(3) - (4), and 130.251.

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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19 TAC §§8.71 - 8.75

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 8, Subchapter D, §§8.71 - 8.75, Formation of a Branch Campus, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 243). The rules will not be republished.

The new rules clarifies and streamlines processes that public two-year institutions of higher education will go through to establish a branch campus.

Texas Education Code, §61.053, §61.061, §61.063(c) - (d), §130.001(b)(3) - (4), and §130.251 provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to define, establish, and authorize a branch campus and to provide rules and regulations for a public community college district to operate a branch campus.

Rule 8.71, Purpose, designates the purpose of the new rules as outlining processes to establish a branch campus.

Rule 8.72, Authority, indicates the Coordinating Board has the authority to adopt policies, enact regulations, and establish rules to define, establish, and authorize a branch campus and to provide rules and regulations for a public community college district to operate such a campus.

Rule 8.73, Application and Approval Procedures, outlines an institutional self-study that institutions must undertake, the nature of funding required, a regional review and certification process, and Coordinating Board staff site visits and reporting concerning the application.

Rule 8.74, Action and Order of the Board, details procedures and actions taken by the Coordinating Board in review and approval of a branch campus application.

Rule 8.75, Reclassification, outlines under what conditions the Coordinating Board may withdraw approval of a branch campus application.

No comments were received regarding the adoption of the new rules.

The new sections are adopted under Texas Education Code, Sections 61.053, 61.061, 61.063(c) - (d), 130.001(b)(3) - (4), and 130.251 which provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to define, establish, and authorize a branch campus and to provide rules and regulations for a public community college district to operate a branch campus.

The adopted new section affects Texas Education Code, Sections 6.053, 61.061, 61.063(c) - (d), 130.001(b)(3) - (4), and 130.251.

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 E. BRANCH CAMPUS MAINTENANCE TAX

19 TAC §§8.91 - 8.103

The Texas Higher Education Coordinating Board (Coordinating Board) adopts repeal of Title 19, Part 1, Chapter 8, Subchapter E, §§8.91 - 8.103, Branch Campus Maintenance Tax, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 245). The rules will not be republished.

This repeal removes sections to allow the Coordinating Board to establish new updated rules to be considered for adoption at the April 2026 Board Meeting.

Texas Education Code, Sections 61.053, 130.001(b)(3) - (4), and 130.253 provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to adopt policies, enact regulations, and establish rules for a school district or county to request authorization from the Board to hold an election to establish and levy a branch campus maintenance tax.

No comments were received regarding the adoption of the repeal.

This repeal is adopted under Texas Education Code, Sections 61.053, 130.001(b)(3) - (4), and 130.253 which provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to adopt policies, enact regulations, and establish rules for a school district or county to request authorization from the Coordinating Board to hold an election to establish and levy a branch campus maintenance tax.

The adopted repeal affects Texas Education Code, Sections 6.053, 130.001(b)(3) - (4), and 130.253.

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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19 TAC §§8.91 - 8.101

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 8, Subchapter E, §8.95, and §8.96, Branch Campus Maintenance Tax, with changes to the proposed text in the January 16, 2026, issue of the *Texas Register* (51 TexReg 246). The rules will be republished. Sections 8.91 - 8.94, and 8.97 - 8.101 are adopted without changes and not be republished.

The new rules clarify and streamline the processes regarding the establishment of the branch campus maintenance tax process.

Texas Education Code, §61.053, §130.001(b)(3) - (4), and §130.253 provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to adopt policies, enact regulations, and establish rules for a school district or county to request authorization from the Board to hold an election to establish and levy a branch campus maintenance tax.

Rule 8.91, Purpose, designates the purpose of the new rules as outlining processes to obtain the Coordinating Board's authorization to call a branch maintenance tax election.

Rule 8.92, Authority, indicates the Coordinating Board has the authority to adopt policies, enact regulations, and establish rules for school district or county requests for authorization from the Coordinating Board to hold an election to establish and levy a branch campus maintenance tax.

Rule 8.93, Petition for a Branch Campus Maintenance Tax Election, describes the petition process for the authorization of an election to levy a public community college branch campus maintenance tax.

Rule 8.94, Legality of the Petition, describes how the governing body of the school district or county makes a determination of genuineness and legality of the petition.

Rule 8.95, Conduct of a Needs Assessment, indicates that a needs assessment of the branch maintenance tax may be conducted in lieu of a petition in the case of counties with a population of 150,000 or less. The needs assessment must be reviewed by the Coordinating Board and the county's governing board before formal submission for approval to the board.

Rule 8.96, Conduct of Feasibility Study, describes the topics and data that must be included in a mandatory feasibility study to be conducted by all school districts and counties proposing a branch maintenance tax.

Rule 8.97, Standards and Board Procedure for Approval, lays out the criteria and procedure for approval that the Coordinating Board must undertake, concluding with a report from Coordinating Board staff to the Commissioner on whether those criteria have been met.

Rule 8.98, Action and Order of the Board, describes the process of how the Coordinating Board acts on the request for approval to hold an election on a branch campus maintenance tax.

Rule 8.99, Calling the Election, describes how the governing body of a school district or county shall call and conduct an election regarding the establishment of a branch campus maintenance tax.

Rule 8.100, Election, indicates that a majority of electors in the branch campus maintenance tax jurisdiction shall determine the creation of a branch campus maintenance tax.

Rule 8.101, Resubmission of Applications, indicates that if a branch campus maintenance tax election fails, twelve months must elapse before resubmission of a proposed branch campus maintenance tax proposition to the Coordinating Board.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Rule 8.95 is amended to remove duplicative language and clarify the process for the THECB to request clarification on the needs assessment.

Rule 8.96 is amended by replacing needs assessment with feasibility study in (D)(5).

No comments were received regarding the adoption of the new rules.

The new sections are adopted under Texas Education Code, Sections 61.053, 130.001(b)(3) - (4), and 130.253 which provides the Coordinating Board with the authority to adopt policies, enact regulations, and establish rules to adopt policies, enact regulations, and establish rules for a school district or county to request authorization from the Board to hold an election to establish and levy a branch campus maintenance tax.

The adopted new sections affect Texas Education Code, Sections 6.053, 130.001(b)(3) - (4), and 130.253.

§8.95. Needs Assessment.

(a) A needs assessment may be carried out by the governing body of a county if such county has a population of 150,000 or less. The needs assessment may be carried out by the county or by professionals contracted by the county.

(b) The needs assessment shall consider and address at a minimum a survey of need, potential student clientele, and financial ability of the jurisdiction.

(c) The county must submit a draft of the needs assessment to Coordinating Board staff. The Commissioner, in consultation with Board staff, shall determine if further documentation or clarification is needed and if so, request the county to provide such documentation or clarification to supplement the needs assessment.

(d) The county's governing body must approve the needs assessment at a lawfully called and held meeting via a resolution.

(e) The county shall send the needs assessment and resolution to the Coordinating Board a minimum of 45 days before the quarterly meeting of the Board.

§8.96. Feasibility Study.

(a) The governing body proposing the branch campus maintenance tax shall carry out a feasibility study on the feasibility and desirability of the proposed tax. The feasibility study may be carried out by the governing body or by professional contracted by the governing body.

(b) The feasibility study shall consider and address:

(1) Demographic and economic characteristics of the jurisdiction seeking to establish the maintenance tax, including such things as:

(A) population trends by age group;

(B) economic development trends and projection;

(C) employment trends and projection;

(D) educational levels by age group; and

(E) college-bound data (i.e., trends by age group).

(2) The financial status of the proposed jurisdiction to be taxed and the state as a whole, including:

(A) any projected growth or decline in the tax base; and

(B) trends in state appropriations for community/junior colleges and other institutions of higher education.

(3) financial or other limitations on existing institutions of higher education inhibiting the offering of programs and services in the proposed jurisdiction;

(A) availability of facilities, libraries, and equipment for institutions to offer classes in the proposed jurisdiction;

(B) distance and traffic patterns to existing institutions of higher education;

(C) effect on enrollments of existing institutions of higher education; and

(D) effect on financing of existing institutions of higher education.

(4) The governing body must approve the feasibility study at a lawfully called and held meeting via a resolution.

(5) The governing body shall send the feasibility study and resolution to the Coordinating Board a minimum of 45 days before the quarterly meeting of the Board.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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CHAPTER 10. GRANT PROGRAMS
SUBCHAPTER C. STATEWIDE PRECEPTORSHIP GRANT PROGRAM

19 TAC §§10.70 - 10.72, 10.74 - 10.76

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 10, Subchapter C, §§10.70 - 10.72 and §§10.74 - 10.76, Statewide Preceptorship Grant Program, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 249). The rules will not be republished.

This amendment will implement the requirements of Senate Bill 1998, 89th Texas Legislature, Regular Session by integrating a pediatric subspeciality into the Preceptorship Grant Program. The Coordinating Board used negotiated rulemaking to develop these adopted rules. The Coordinating Board will make reports of negotiated rulemaking committees available upon request.

The Coordinating Board is authorized to operate the Statewide Preceptorship Program under Texas Education Code §58.006, and §58.011, which establishes the Statewide Pediatric Subspeciality Preceptorship Program.

Section 10.70, Purpose, is amended to add pediatric subspecialities to the purpose of the Statewide Preceptorship Grant Program.

Section 10.71, Authority, is amended to add Texas Education Code, §58.011, to the authorizing statute for the grant program.

Section 10.72, Definitions, is amended to remove standardized definitions for the subchapter now found in Chapter 10, §10.2 relating to Definitions, and add definitions for family medicine and pediatric subspecialty.

Section 10.74, Application Process, is amended to add pediatric subspecialty to the criteria for applications.

Section 10.75, Evaluation, is amended to add pediatric subspecialty to the evaluation criteria.

Section 10.76, Grant Awards, is amended to specify that up to forty (40) percent of a general pediatrics award can be used for pediatric subspecialities.

The following comment was received regarding the adoption of the amendments.

Comment: A comment from the Texas Pediatric Society (TPS) was submitted in support of the proposed amendments and indicated that the proposed amendments provide the necessary clarity to launch the subspecialty placements in a timely manner.

Response: The Coordinating Board thanks TPS for its comment of support.

The amendment is adopted under Texas Education Code, Section 58.011, which establishes the Statewide Pediatric Subspeciality Preceptorship Program, and Section 58.006, which provides the Coordinating Board with authority to operate the Statewide Preceptorship Program.

The adopted amendment affects Texas Education Code, Section 58.011.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock

General Counsel

Texas Higher Education Coordinating Board

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SUBCHAPTER F. BEHAVIORAL HEALTH INNOVATION GRANT PROGRAM

19 TAC §§10.410 - 10.419

The Texas Higher Education Coordinating Board (Coordinating Board) adopts new rules in Title 19, Part 1, Chapter 10, Subchapter F, §10.412 of Board rules, concerning the Behavioral Health Innovation Grant Program, with changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 250). The rule will be republished. Sections 10.410, 10.411, and 10.413 - 10.419 are adopted without changes and will not be republished.

The new section establish regulations for administering the grant program including, but not limited to, application and awards processes, eligibility criteria, and reporting and evaluation requirements. The Coordinating Board used negotiated rulemaking to develop these proposed rules. The Coordinating Board will make reports of negotiated rulemaking committees available upon request.

Texas Education Code, §61.9991, establishes the Behavioral Health Innovation Grant Program and requires the Coordinating Board to administer the program, subject to available funds. Texas Education Code, §61.9993, authorizes the Coordinating Board to adopt rules to administer the grant program.

Section 10.410, Purpose, states that the purpose of the rules is to administer the Behavioral Health Innovation Grant Program.

Section 10.411, Authority, outlines the statutory authority for administration of the grant program.

Section 10.412, Definitions, defines key terms relevant to grant program administration.

Section 10.413, Eligibility, outlines criteria that institutions must meet to apply for and receive funding under the grant program.

Section 10.414, Application Process, outlines the steps required to apply for funding under the grant program.

Section 10.415, Evaluation, outlines the criteria that will be used to evaluate grant applications, including criteria for prioritizing certain grant applications.

Section 10.416, Grant Awards, specifies limits for funding amounts and process for awarding funds under this grant program.

Section 10.417, Reporting, establishes annual performance and financial reporting requirements.

Section 10.418, Additional Requirements, outlines requirements for the forfeiture and return of funds for the grant program.

Section 10.419, Monitoring Effectiveness of Grant, outlines statutory requirements for evaluation of the outcomes of the grant program.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Section 10.412, Definitions, is amended to include in the definition of "Joint Program" a program in which a student receives instruction or clinical coursework at more than one institution but receives a diploma from a single institution.

The following comments were received regarding the adoption of the new rules.

Comment: The Texas Counseling Association (TCA) submitted a comment in support of the new grant program rules and the Negotiated Rulemaking Committee. TCA emphasized the importance of reducing the shortage and strengthening the of mental health professionals, especially in underserved rural areas.

Response: The Coordinating Board thanks TCA for its comment of support.

Comment: The Meadows Health Policy Institute (Meadows Institute) submitted a comment in support of the new rules and confirmed that the rules reflect the intent of the Negotiated Rulemaking Committee and the legislation that authorized the grant program.

Response: The Coordinating Board thanks the Meadows Institute for its comment of support.

Comment: The University of Texas System (UTS) submitted a comment regarding the definition of "joint program" and raised concerns that for the purposes of this grant it may exclude programs where coursework or instruction are provided by more than one institution, but only one institution is listed on the student's diploma. UTS provided draft language.

Response: The Coordinating Board thanks UTS for its comment and agrees that the definition of a "Joint Program" should be expanded for the purposes of this grant.

The new section is adopted under Texas Education Code, Section 61.9993, which provides the Coordinating Board with the authority to adopt rules to administer the grant program.

The adopted new section affects Texas Education Code, Sections 61.9991 - 61.9997.

§10.412. Definitions.

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

(1) Innovative Programs--Innovative programs as defined by recruitment, training, or retention initiatives that introduce strategies, models, or partnerships designed to address persistent behavioral health workforce shortages, particularly in medically underserved or rural areas. Such a program is characterized by its capacity/ability to be scaled, sustained, evaluated for impact, and adapted in response to workforce and community needs.

(2) Institution of Higher Education--As defined by Texas Education Code, §61.003.

(3) Joint Program--For the purposes of this subchapter, a joint program is:

(A) A program where a student receives instruction at two (or more) institutions in prescribed curricula leading to the institutions granting a single academic award bearing the names, seals, and officials' signatures of each participating institution; or

(B) A program where a student receives instruction or clinical training at two (or more) institutions of higher education leading to at least one of the institutions granting a single academic award bearing the name, seal, and official signature of the degree-granting institution.

(4) Medically Underserved--Patient populations that experience challenges in accessing medical services due to the lack of adequate health insurance coverage or no insurance coverage, who have a low economic status as can reasonably be determined by the residency program, or experience other access barriers such as a shortage of available services. Access barriers may be demonstrated through references to existing federal designations such as a Medically Underserved Area, as that term is defined in Texas Government Code, §487.251.

(5) Mental Health Professionals--As defined by Texas Education Code, §61.601.

(6) Professionals in Related Fields--Paraprofessionals whose education or training actively supports behavioral health service delivery, care coordination, or prevention, but who may not hold a credential specifically recognized under 'mental health professional' such as peer specialists, community health workers, behavior analysts, recovery coordinator, nurses, educators, public health practitioners, or other allied and support personnel whose work directly or indirectly impacts behavioral health care, prevention, or coordination.

(7) Rural--A location that is eligible for Federal Office of Rural Health Policy grant programs.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6182

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CHAPTER 13. FINANCIAL PLANNING

SUBCHAPTER G. TUITION AND FEES

19 TAC §13.130

The Texas Higher Education Coordinating Board (Coordinating Board) adopts a new rule in Title 19, Part 1, Chapter 13, Subchapter G, §13.130, Cost of Attendance Calculation for Competency-Based Baccalaureate Degree Programs, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 253). The rule will not be republished.

This new section effectuates the provisions of Texas Education Code (TEC), §51.3535, established by House Bill 4848, 89th Texas Legislature, Regular Session, which became effective September 1, 2025.

The Coordinating Board is authorized by TEC, §51.3535, to adopt rules necessary to administer the section.

Rule 13.130, Cost of Attendance Calculation for Competency-Based Baccalaureate Degree Programs, is created to describe the annual determination and publication of the maximum allowable cost of attendance for competency-based baccalaureate degree programs offered under TEC, §51.3535. Subsection (a) describes the statutory authority for the rule. Subsection (b) provides definitions for words and terms used throughout the rule, aligning directly with definitions for these terms already present in statute or other Coordinating Board rules. Subsection (c) describes the applicability of the rule in applying only to competency-based baccalaureate degree programs offered under TEC, §51.3535, by general academic teaching institutions or medical or dental units associated with a university system.

Subsection (d) describes the Coordinating Board's annual determination of the maximum allowable cost of attendance for an applicable competency-based baccalaureate degree program, effectuating TEC, §51.3535(c) and (d). In setting the initial limit for the 2026 - 2027 academic year in Subsection (d)(1), the Coordinating Board would set the amount as one-half of the average cost of attendance for resident baccalaureate students at applicable institutions to maintain a clear connection between cost of attendance for students enrolled in competency-based baccalaureate degree programs and their peers in "traditional" degree programs at the same institutions. Subsection (d)(2) effectuates TEC, §51.3535(d), in describing how the Coordinating Board will apply an annual inflation adjustment to the maximum allowable cost of attendance, using the twelve-month Consumer Price Index calculated by the U.S. Bureau of Labor Statistics. Subsection (e) delineates that the cost of attendance of a competency-based baccalaureate degree program offered under TEC, §51.3535, may not exceed the amount announced by the Coordinating Board.

No comments were received regarding the adoption of new rule.

The new section is adopted under Texas Education Code, Section 51.3535, which provides the Coordinating Board with the authority to adopt rules as necessary to administer the section.

The adopted new section affects Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter G.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER Q. FINANCIAL AID FOR SWIFT TRANSFER (FAST) PROGRAM

19 TAC §13.505

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 13, Subchapter Q, §13.505, Financial Aid for Swift Transfer (FAST) Program, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 254). The rule will not be republished.

This amendment substantively revises the process by which institutions of higher education receive Program funding.

The Coordinating Board is authorized by Texas Education Code, §28.0095, to adopt rules necessary to administer the Program.

Rule 13.505, FAST Funding Formula, is amended. The revisions are proposed for the purpose of improving program and funding efficiency and reflect the Coordinating Board's experience in administering the Program for two full years as well as improved data and data infrastructure. The proposed new model is within the parameters of the governing statute, and these amendments are undertaken in collaboration with the Texas Education Agency (TEA), in accordance with the shared responsibility for Program administration set forth in Texas Education Code, §28.0095.

These amendments will shift the Program funding model from a reimbursement model to more closely resemble formula funding. The proposed amendments do not represent a change in the amount of funding disbursed through the Program to any institution, but rather the process by which funding levels are determined and later adjusted. Each of subsections (a) through (c), as revised, describes one of the three steps of the revised model: projection, disbursement, and true-up.

Subsection (a) describes the process by which the Coordinating Board will determine each participating institution's initial funding level for the upcoming fiscal year. Subsection (a)(1) describes the calculation for institutions that participated in the Program during the prior year; in such cases, the institution's prior year FAST-eligible credit hours (retrieved from the institution's CBM reporting to the Coordinating Board) will be used and multiplied by the upcoming fiscal year's FAST tuition rate. These calculations would be categorized into three terms, which correspond to disbursements in subsection (b): fall, spring, and summer, inclusive of any alternative term lengths. Subsection (a)(1)(A) specifies that the Coordinating Board will use "FAST semester credit hours or equivalents […] for the most recent summer, fall, and spring semesters […] for which data are available"; because subsection (a)(3) states that the projection calculation would be conducted and distributed not later than the end of June and prior-year data for the summer term would not be available, summer term data from the prior-prior year (i.e., two fiscal years prior to the year for which the projections are assembled) will be used.

Subsection (a)(2) describes the calculation for institutions newly entering the Program. For these, the Coordinating Board would use the institution's total dual credit semester credit hours for the most recent summer, fall, and spring terms for which data are available via CBM reports, assemble a statewide average percentage of dual credit semester credit hours or equivalents that are FAST eligible for the same period, and then multiply these two figures, multiplying the final result by the FAST funding rate for the upcoming fiscal year. Subsection (a)(3) describes the process by which the Coordinating Board would distribute these projections to participating institutions, providing ten business days for review and comment regarding potential inaccuracies. This aligns with Coordinating Board practice with similar functions, such as financial aid program allocations.

Subsection (b) describes the timeline by which the Coordinating Board disburses Program funds to participating institutions. Under the current rules, this timeline varies by institution, relying on data reporting and eligibility verification that can cause disbursement to occur months after the applicable semester or term has ended. The proposed rule, using the projections described in subsection (a), would allow for disbursements to occur by October 15 for the fall semester, March 15 for the spring semester, and June 15 for the summer semester for all institutions.

Subsection (c) describes the revised "true-up" process, the process by which institutional disbursements are reconciled against data provided by the TEA. A true-up occurs under the current rule, but other changes in the proposed rule- notably, the projections- necessitate changes to the process. Under the proposed rule, the true-up would involve a comparison between the projection assembled prior the fiscal year and what actually occurred. Institutions' CBM reporting to the Coordinating Board would be reconciled with TEA attendance and educationally disadvantaged status data to determine the actual number of semester credit hours or equivalents for which the institution is eligible to receive Program funds. The difference between the actual number and the projected number- positive or negative-multiplied by the FAST tuition rate for the applicable fiscal year is the institution's true-up adjustment. Subsection (c)(3) describes how this adjustment is then applied to the institution's next disbursement. Subsection (c)(4) provides for a ten-business-day review and comment period for institutions' true-up adjustments, as with the projections in subsection (a).

Subsection (d) describes potential actions that could be taken by the Coordinating Board, including postponement of an institution's projection or withholding of a disbursement, if a participating institution fails to provide necessary information or data in a timely manner. The FAST Program relies on timely reporting from participating institutions, and this provision ensures that delayed data from a single institution does not adversely impact other institutions that met reporting deadlines.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 28.0095, which provides the Coordinating Board with the authority to adopt rules for the administration of the Program.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter Q.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Douglas Brock
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CHAPTER 20. APPLICATIONS AND ADMISSION FOR INSTITUTIONS OF HIGHER EDUCATION

SUBCHAPTER B. FREE COLLEGE APPLICATION WEEK

19 TAC §20.31

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 20, Subchapter B, §20.31, Definitions, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 257). The rule will not be republished.

This amendment expands the definition of an undergraduate admission application to include all applications submitted for an undergraduate degree.

The Coordinating Board is authorized by Texas Education Code, §61.0731 to establish rules to implement Free College Application Week.

The following comments were received regarding the adoption of the amendments.

Comment: The University of Houston submitted a comment expressing concern regarding the proposed expansion of Free College Application Week to include additional undergraduate applicant types. The institution noted potential operational and financial impacts, including the need for system reconfigurations, additional staff time to review incomplete or inauthentic applications, challenges with enrollment forecasting, and possible negative fiscal impacts on admissions and recruitment operations.

Response: The Coordinating Board thanks the University of Houston for its comments and acknowledges the concerns raised regarding operational and fiscal impacts. The amendment to §20.31 revises the definition of "undergraduate admission application" to include all undergraduate application types, which effectively adds returning and visiting applicants to the previously included first-time freshman and transfer populations. This revision aligns the rule with Texas Education Code, §61.0731, which directs the Coordinating Board to permit individuals in this state to "apply to any institution of higher education for undergraduate admission without paying an application fee" during the designated week. The amendment does not expand the requirement beyond the ApplyTexas platform.

Comment: The Texas A&M University System submitted a comment supporting the intent of expanding Free College Application Week to include all undergraduate applications, noting that the change aligns with statewide attainment goals and simplifies messaging to students. The System also raised concerns regarding the potential loss of application fee revenue, increased application volumes leading to processing delays, the potential increase in low-intent applications, and possible misalignment between the timing of Free College Application Week and typical transfer application cycles.

Response: The Coordinating Board thanks the Texas A&M University System for its comments and support of Free College Application Week. The Board acknowledges the concerns raised. The amendment to §20.31 revises the definition of "undergraduate admission application" to include all undergraduate application types. This revision aligns the rule with Texas Education Code, §61.0731. The amendment does not expand the requirement beyond the ApplyTexas platform.

Comment: The University of North Texas submitted a comment expressing concern that expanding the rule to include all undergraduate applicants across all application platforms accepted by an institution could significantly impact institutional operating budgets, particularly where institutions must pay service providers per application received. The institution requested that the Coordinating Board defer expansion of the rule until the full fiscal and operational impacts of the program can be evaluated.

Response: The Coordinating Board thanks the University of North Texas for its comments and acknowledges the concerns raised regarding fiscal and operational impacts. The amendment to §20.31 revises the definition of "undergraduate admission application" to include all undergraduate application types. This revision aligns the rule with Texas Education Code, §61.0731. The amendment does not require institutions to waive fees across all application platforms they accept and does not expand requirements beyond the ApplyTexas platform.

Comment: Texas Tech University submitted a comment expressing concern that the proposed rule would require institutions to waive application fees across all application platforms accepted by the institution, including platforms such as the Common Application, which could significantly impact institutional operating budgets. Texas Tech requested flexibility in implementation or additional guidance to offset the fiscal impact of such requirements.

Response: The Coordinating Board thanks Texas Tech University for its comments and acknowledges the concerns raised. The amendment to §20.31 revises the definition of "undergraduate admission application" to include all undergraduate application types. This revision aligns the rule with Texas Education Code, §61.0731. The amendment does not expand the requirement beyond the ApplyTexas platform.

Comment: Educate Texas submitted a comment supporting the proposed amendments to expand eligibility for Free College Application Week, noting the success of the inaugural initiative and its potential to increase college access. Educate Texas expressed particular support for expanding eligibility to include transfer students and returning students, citing the importance of supporting transfer pathways and engaging individuals with some college and no credential. The organization also recommended strengthening outreach strategies and partnerships to ensure the initiative effectively reaches a broad range of Texas students.

Response: The Coordinating Board thanks Educate Texas for its comments and support for expanding college access through Free College Application Week. The Coordinating Board agrees that expanding eligibility helps reduce barriers for students pursuing various postsecondary pathways. The amendment to §20.31 revises the definition of "undergraduate admission application" to include all undergraduate application types, to the previously included first-time freshman and transfer populations. This revision aligns the rule with Texas Education Code, §61.0731.

The amendment is adopted under Texas Education Code, Section 61.0731(b), which provides the Coordinating Board with the authority to establish rules to implement Free College Application Week.

The adopted amendments affects Texas Administrative Code, Title 19, Part 1, Chapter 20, Subchapter B.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 22. STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §22.9

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 22, Subchapter A, §22.9, Institutional Responsibilities, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 258). The rule will not be republished.

This amendment codifies an existing requirement that each institution participating in state financial aid programs designate a Disbursing Officer.

The Coordinating Board is authorized by Texas Education Code, §56.0035, to adopt rules necessary to carry out the purposes of that chapter.

Rule 22.9, Institutional Responsibilities, is amended by adding a Subsection (b)(1) that describes the responsibility of each institution participating in state financial aid programs in designating a Disbursing Officer. This officer, appointed by the institution's chief fiscal officer, is responsible for the administration of program funds in accordance with state law and Coordinating Board rules. The rule clarifies that the Disbursing Officer and Program Officer cannot be the same person and that, to ensure proper fiscal governance, in designating a Disbursing Officer, there should be a clear segregation of duties between selecting financial aid recipients and disbursing of program funds. Subsection (b)(1) codifies an existing requirement and does not constitute a change in policy regarding this institutional responsibility.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 56.0035, which provides the Coordinating Board with the authority to adopt rules necessary to carry out the purposes of that chapter.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter A.

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SUBCHAPTER B. TUITION EQUALIZATION GRANT PROGRAM

19 TAC §§22.22, 22.23, 22.25

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 22, Subchapter B, §§22.22, 22.23, and 22.25, Tuition Equalization Grant Program, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 259). The rules will not be republished.

This amendment clarifies practices relating to program administration and codify a reporting requirement for institutions participating in the Program.

Texas Education Code, §61.229, provides the Coordinating Board with the authority to adopt rules relating to the Program.

Rule 22.22, Definitions, is amended by clarifying the definition of "tuition differential" to codify how the Coordinating Board identifies "comparable" institutions. The definition now specifies that the Coordinating Board uses the Southern Association of Colleges and Schools Commission on Colleges' degree level designations. This does not represent a change in the administration of the Program.

Rule 22.23, Eligible Institutions, is amended by adding a new subsection (d), which describes the requirement of participating institutions to submit an audit engagement report for the prior fiscal year to the Coordinating Board no later than April 15 each year. The report must be addressed to the institution's chief executive officer and include any findings and a corrective action plan for any identified deficiencies. The new subsection codifies an existing requirement previously detailed in Coordinating Board guidance..

Rule 22.25, Satisfactory Academic Progress, is amended by codifying Coordinating Board guidance to participating institutions regarding the interaction between summer terms and satisfactory academic progress (SAP) determinations. In summary, summer coursework funded by state grants must be included in SAP determinations, while summer coursework not funded by such grants may be used to reestablish eligibility for the Program if the student failed to meet SAP requirements in the prior term. However, unfunded summer coursework should not be used for SAP determinations if it would result in the student losing eligibility. This does not represent a change in the administration of the Program.

No comments were received regarding the adoption of the amendments.

The amendments are adopted under Texas Education Code, Section 61.229, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The adopted amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter B.

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SUBCHAPTER L. TOWARD EXCELLENCE, ACCESS, AND SUCCESS (TEXAS) GRANT PROGRAM

19 TAC §§22.226 - 22.230, 22.233 - 22.236, 22.241

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 22, Subchapter L, §§22.226 - 22.230, 22.233, 22.234, 22.236, 22.241, and new §22.235, Toward EXcellence, Access, and Success (TEXAS) Grant Program, without changes to the proposed text as published in the January 23, 2026, issue of the *Texas Register* (51 TexReg 365). The rules will not be republished.

The amendments and new section amend definitions, student eligibility, prioritization criteria, and program allocations to ensure alignment with statutory changes made by House Bill (HB) 3041, 89th Texas Legislature, Regular Session, which became effective June 20, 2025. The Coordinating Board convened a negotiated rulemaking committee to consider proposed amendments to §22.233 and §22.236, and the proposed new §22.235. The committee reached consensus on all items, and, unless otherwise stated, the proposed rule substantively reflects the committee's determinations. The Coordinating Board will make reports of negotiated rulemaking committees available upon request.

The Coordinating Board is authorized by Texas Education Code, §56.303, to adopt rules necessary for the administration of the Program.

Rule 22.226, Definitions, is amended by replacing the term "continuation grant" with the more conventionally used "renewal grant" and by adding the terms "nontraditional secondary education" and "priority Student Aid Index level." Conforming changes are made throughout the subchapter to reflect the change in terminology to "renewal grant." The definition of "nontraditional secondary education," included to implement HB 3041, 89th Texas Legislature, Regular Session, aligns with the definition for the same term in TEC, §51.9241. The definition of "priority Student Aid Index level" refers to the level described by TEC, §56.303(e), and calculated each year by the Coordinating Board. Additional references to this figure in the proposed rule warrant the creation of a defined term to ensure consistent usage. Nonsubstantive changes are made to the definition of "Target Grant Amount" to update a rule reference to reflect changes to program allocations and to the definition of "Tuition" to replace an outdated rule reference.

Rule 22.227, Eligible Institutions, is amended to make conforming changes relating to the term "renewal grant."

Rule 22.228, Eligible Students, is amended by adding reference in subsection (a)(6)(A) to students who successfully completed a nontraditional secondary education, ensuring these students are considered eligible consistent with HB 3041, 89th Texas Legislature, Regular Session. Subsection (d) is added to codify the Coordinating Board's existing practice of considering a student enrolled in combined baccalaureate-master's degree programs as "enrolled in a baccalaureate program" (and therefore potentially eligible for the Program), provided the student's institution considers the student an undergraduate for federal financial aid purposes. Other nonsubstantive and conforming changes are included to improve the readability of the rule.

Rule 22.229, Satisfactory Academic Progress, is amended by eliminating subsection (b)(3), which had been inadvertently retained during prior rule revisions. This provision cannot apply to a student as the Program is currently administered, and its elimination does not represent a change in administration of the Program. Other nonsubstantive and conforming changes are included to improve the readability of the rule. Similarly, subsection (d) also is unnecessary, as a student's completion rate is no longer calculated as part of satisfactory academic progress criteria for this program, and is eliminated.

Rule 22.230, Discontinuation of Eligibility or Non-Eligibility, is amended to make conforming changes relating to the term "renewal grant."

Rule 22.233, Priority in Grants to Students, is amended by adding additional priority considerations. Subsection (b) is added, directing institutions to prioritize students who graduated in the top 25 percent of their high school graduating class in one of the two prior years for initial year grants. This provision, as proposed, deviates slightly from the determination of the negotiated rulemaking committee; whereas the committee reached consensus on proposed rule language that allowed for institutions to determine which students met the top 25 percent standard, the Coordinating Board has revised this language to instead allow for an institutional policy for determining top 25 percent status for students whose high schools do not rank students. This aligns with the requirements of Rider 24 and conforms to the legislative intent of providing greater predictability in the offering of state financial aid to high-performing students.

Subsection (c) is added, directing institutions to prioritize students who establish initial year eligibility via the Texas Educational Opportunity Grant (TEOG) pathway described by §22.228(a)(6)(D), which implements the legislative intent regarding predictability.

Subsections (f) and (g) are added to further clarify expectations related to top 25 percent and TEOG pathway students. Subsection (f) states that each institution shall ensure that all eligible students who graduate in the top 25 percent of their high school class, have a Student Aid Index at or below the priority level described by §22.233(e), and apply for financial aid before the June

1 receive an initial year grant. The negotiated rulemaking committee reached consensus on this subsection using the state priority deadline as the deadline by which a student must apply for financial aid to be considered for the guarantee described by subsection (f). After the committee convened, however, the Coordinating Board determined that using the priority deadline for this purpose was misaligned with the legislative intent. Use of June 1 preserves the committee's preference for a deadline for resource allocation purposes but aligns with both the legislative intent (by occurring after the vast majority of applicable students would have graduated high school and could demonstrate having graduated in the top 25 of their class) and aligns with the graduation requirement described by TEC, §28.0256.

Similarly, subsection (g) states that each institution shall ensure that all eligible students qualifying via the TEOG pathway and who have a Student Aid Index at or below the priority level receive an initial year grant, specifying that institutions may use any funds (not only the restricted funds allocated via §22.235) to accomplish this requirement.

Subsection (h) is amended to include references to students who complete a nontraditional secondary education. These students are still subject to the priority model described by subsection (h), as they can plausibly meet three of the four listed criteria (only two must be met). Other nonsubstantive and conforming changes are included to improve the readability of the rule.

Subsection (i) clarifies that an institution, in establishing whether a student has "present evidence of successful completion of a nontraditional secondary education" in subsection (h)(1), cannot require any additional evidence or documentation beyond what is required for admissions purposes. Moreover, it clarifies that admission to the institution on the basis of successful completion of a nontraditional secondary education fulfills this requirement.

Rule 22.234, Grant Amounts, is amended by clarifying subsection (a) to note that a TEXAS Grant may not be reduced by any gift aid for which a person is eligible, unless the total amount of the grant plus any gift aid is greater than the student's financial need. This change reflects greater alignment with the program statute. Subsection (d) is redundant with §22.228(c)(3) and is removed.

Rule 22.235, Allocation of Funds - TEOG Pathway, is created to establish the means by which the appropriated funds are allocated to participating institutions. Subsection (a) describes the methodology, which distributes available funds proportionally among participating institutions based on each institution's share of students meeting the criteria listed in subsection (a)(1). Subsection (b) describes the nature of the funds restriction, limiting use of the allocated funds under the section to initial year grants for students qualifying via the TEOG pathway. Subsection (c) describes the means by which the Coordinating Board will conduct this allocation process as a two-year allocation, as it does with many other state grant programs, starting in Fiscal Year 2028. Subsection (d) notes that institutions' Financial Aid Database submissions are the data source for the allocation. Subsection (e) describes the data review, a preliminary process by which the Coordinating Board supplies data to institutions for review and comment prior to publishing final allocations. Subsection (f) describes the means by which the Coordinating Board will reduce funding levels in the event of an unexpected funding decrease, aligning with a like provision in §22.236.

Rule 22.236, Allocation of Funds - General, is amended to reflect changes to the general program allocation. Subsection (a) describes the allocation methodology, which differs from the current allocation methodology in two ways. First, a new top 25 percent portion of the allocation is added in subsection (a)(2). This portion of the allocation occurs after the renewal grants portion in subsection (a)(1), which is unchanged. For this portion of the calculation, using Financial Aid Database and CBM00B university admissions report submissions, the Coordinating Board will determine the number of students at each participating institution meeting the criteria described in subsection (a)(2)(A) in the prior-prior year, and multiply that figure by 125 percent of the Target Grant Amount. The use of the 125 percent of the Target Grant Amount is for allocation purposes only and does not imply a requirement regarding the amount of any student's grant. The other substantive change to the methodology described in subsection (a) is the exclusion of top 25 percent and TEOG pathway students from the Remaining Initial Grants portion of the calculation in subsection (a)(3). The proportional method of this part of the calculation is unchanged, but these students were removed from the calculation because they are considered elsewhere in the allocation, either in §22.235 (for TEOG pathway) or §22.236(a)(2) (for top 25 percent).

Subsection (b) is added to describe how the general allocation would be conducted in the event that insufficient funds were appropriated for the Program to fully fund the renewal and top 25 percent portions of the calculation. In such a case, available funds for that portion of the calculation (starting with the renewal grants, and then top 25 percent in keeping with grant priority rules) would be distributed proportionally. Subsection (c) describes the means by which the Coordinating Board will conduct this allocation process as a two-year allocation, as it does with many other state grant programs, starting in Fiscal Year 2028. Subsection (d) notes that institutions' Financial Aid Database submissions are the data source for the allocation. Subsection (e) describes the data review, a preliminary process by which the Coordinating Board supplies data to institutions for review and comment prior to publishing final allocations.

Rule 22.241, Tolling of Eligibility for Initial Year Grant, is amended to make conforming changes relating to the term "renewal grant" and to rule citations affected by other proposed changes.

No comments were received regarding the adoption of the amendments.

The amendments and new section are adopted Texas Education Code, Section 56.303, which provides the Coordinating Board with the authority to adopt rules necessary for the administration of the Program.

The adopted amendments and new section affect Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter L.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 23. EDUCATION LOAN REPAYMENT PROGRAMS
SUBCHAPTER C. PHYSICIAN EDUCATION LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §23.65, §23.67

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 23, Subchapter C, §23.65 and §23.67, Physician Education Loan Repayment Assistance Program, without changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 261). The rules will not be republished.

This amendment adds a definition of "outpatient setting" to clarify eligibility for primary care physicians and aligns rule language regarding applicant prioritization with similar provisions throughout the chapter.

The Coordinating Board is authorized by Texas Education Code, §61.537, to adopt rules necessary for the administration of the program.

Rule 23.65, Definitions, is amended by adding a definition for "outpatient setting." The definition aligns with that of Texas Occupations Code, §162.101 and §301.601. Defining "outpatient setting" further clarifies the definition of "primary care physician," which states that, "With the exception of psychiatrists and geriatricians, physicians must provide services in an outpatient setting to be considered primary care." An applicant's status as a primary care physician is relevant for both eligibility and prioritization determinations, warranting greater specificity.

Rule 23.67, Applicant Ranking Priorities, is amended to align with similar provisions in the chapter and to ensure that all applicants can be ranked in the event that insufficient funds are available to provide loan repayment assistance to all eligible persons. Subsection (a) is redundant with §23.66(a)(1) and its removed. The language introducing the section (previously (b)) is revised to align with phrasing in similar rules throughout the chapter. Subsection (2)(G) is added to provide a final criterion, student loan debt, on which to prioritize applicants in this category.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 61.537, which provides the Coordinating Board with the authority to adopt rules necessary for the administration of the Program.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 23 Subchapter C.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER D. MENTAL HEALTH PROFESSIONALS LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §§23.94, 23.96, 23.97, 23.100

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 23, Subchapter D, §23.94, Mental Health Professionals Loan Repayment Assistance Program, with changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 263). The rule will be republished. Sections 23.96, 23.97, and 23.100 are adopted without changes and will not be republished.

This amendment provides for the consideration of program applicants who provide mental health services via telehealth, as well as clarify aspects of applicant eligibility.

The Coordinating Board is authorized by Texas Education Code, §61.608, to adopt rules necessary for the administration of the Program.

Rule 23.94, Definitions, is amended by clarifying the definition of "full-time service" and adding definitions for "mental health services" and "telehealth provider" to facilitate consideration of program applicants who provide services via telehealth and other aspects of eligibility and prioritization determinations. The "full-time service" definition is amended by removing the word "direct" before "mental health services" - this phrasing is unnecessary given the addition of a definition for that term - and by clarifying that full-time service applies only to mental health services provided to patients in Texas. Reference to "patients in Texas" also are added to §23.96(a)(5)(A) of the proposed rule. These additions do not represent changes in the administration of the Program, but rather are intended to clarify the scope of the Program with the addition of potentially eligible telehealth providers.

The rule is further revised by adding a definition of "mental health services" in §23.94(5) to further clarify the types of service that an individual must provide to be eligible for the Program. The definition cites to that of Texas Health and Safety Code, §531.002, ("Mental health services" includes all services concerned with research, prevention, and detection of mental disorders and disabilities, and all services necessary to treat, care for, supervise, and rehabilitate persons who have a mental disorder or disability, including persons whose mental disorders or disabilities result from a substance abuse disorder.) and further clarifies that such services delivered to patients via telehealth are considered mental health services. Finally, §23.94(13) provides a definition for "telehealth provider" as an eligible professional who delivers fifty percent or more of the professional's mental health services to patients via telehealth. This status, determined as part of the application process, will be used in prioritizing applicants but does not relate to eligibility.

Rule 23.96, Applicant Eligibility, is amended to clarify program eligibility requirements and align rule language. Subsection (a)(5)(A) is amended to include reference to the state of Texas, as previously mentioned, and to replace "direct patient care" with the defined term "mental health services," which aligns with references elsewhere in the rule and the Program's statute.

Rule 23.97, Applicant Ranking Priorities, is amended to eliminate an unnecessary provision and situate telehealth providers in the Program's prioritization rule. Subsection (a) is redundant with §23.96(a)(1) and is removed. Telehealth providers are added to the prioritization rule such that, in the event of insufficient funding to offer loan repayment assistance to all eligible providers, they will be the final non-renewal applicants funded. Subsection (a)(8) is amended to prioritize providers who practice in counties with populations of 150,000 persons or fewer, aligning with the one-time increase in §23.100(e). Portions of subsections (a)(3) and (a)(8) are removed or revised because they add unnecessary complexity to the prioritization determinations.

Rule 23.100, Amount of Repayment Assistance, is amended to clarify that a telehealth provider is not eligible to receive the one-time increase in loan repayment assistance for practicing in a county with population of 150,000 persons or fewer.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Rule 23.94(5) is amended to specify that services delivered to patients using secure telecommunication or information technology are considered mental health services for the purposes of the program for applications received by the Coordinating Board on or after September 1, 2027.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Section 61.608, which provides the Coordinating Board with the authority to adopt rules necessary to administer the Program.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter D.

§23.94. Definitions.

In addition to the words and terms defined in §23.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) CHIP--The Children's Health Insurance Program, authorized by the Texas Health and Safety Code, Chapter 62.

(2) Community-Based Mental Health Services--The services found under the Texas Health and Safety Code, Chapter 534, Subchapter B.

(3) Full-time Service--Employed or contracted full-time (at least 32 hours per week for providers participating only in the state-funded program, or at least 40 hours per week for providers participating in both the state funded program and the SLRP) by an agency or facility for the primary purpose of providing mental health services to patients in Texas.

(4) Medicaid--The medical assistance program authorized by the Texas Human Resources Code, Chapter 32.

(5) Mental Health Services--As defined in Texas Health and Safety Code, §531.002. For the purposes of this subchapter, for applications received by the Coordinating Board on or after September 1, 2027, such services delivered to patients at a different physical location than the professional using secure telecommunication or information technology are considered mental health services.

(6) MHPSAs--Mental Health Professional Shortage Areas (MHPSAs) are designated by the U.S. Department of Health and Human Services (HHS) as having shortages of mental health providers and may be geographic (a county or service area), demographic (low income population), or institutional (comprehensive health center, federally qualified health center, or other public facility). Designations meet the requirements of Sec. 332 of the Public Health Service Act, 90 Stat. 2270-2272 (42 U.S.C. 254e).

(7) Program--Mental Health Professionals Loan Repayment Assistance Program.

(8) Psychiatrist--A licensed physician who is a graduate of a residency training program or fellowship program in psychiatry accredited by the Accreditation Council for Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA).

(9) Public school--A school in a Texas school district or a public charter school authorized to operate under Texas Education Code, chapter 12.

(10) Service Period--A period of:

(A) twelve (12) consecutive months qualifying a mental health professional for loan repayment assistance; or

(B) for a mental health professional employed by a public school, at least nine (9) months of a 12-month academic year qualifying the professional for loan repayment assistance.

(11) SLRP--A grant provided by the Health Resources and Services Administration to assist states in operating their own State Loan Repayment Program (SLRP) for primary care providers working in Health Professional Shortage Areas (HPSA).

(12) State Hospital--Facilities found under the Texas Health and Safety Code, §552.0011.

(13) Telehealth Provider--An eligible professional who delivers fifty percent or more of the professional's applicable mental health services (measured in hours per week) to patients at a different physical location than the professional using secure telecommunication or information technology.

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 K. NURSE LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §§23.301 - 23.303

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 23, Subchapter K, §23.301, Nurse Loan Repayment Assistance Program, with changes to the proposed text as published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 266). The rule will be republished. Section 23.302 and §23.303 are adopted without changes and will not be republished.

This amendment provides for the consideration of eligible nurses offering services via telehealth in the Program and make minor rule alignments relating to prioritization of applicants.

Texas Education Code, §61.656, provides the Coordinating Board with the authority to adopt rules necessary for the administration of the Program.

Rule 23.301, Definitions, is amended by revising the definition of "rural county" and adding a new definition for "telehealth provider." The definition of "rural county" in §23.301(7) is amended to change the population level from 50,000 or fewer persons to 150,000 or fewer persons, aligning with other loan repayment assistance programs. A definition of "telehealth provider" is added in §23.301(8) as an eligible nurse who delivers fifty percent or more of the nurse's applicable services using telecommunications or information technology. This status, determined as part of the application process, will be used in prioritizing applicants but does not relate to eligibility.

Rule 23.302, Applicant Eligibility, is amended to specify that an applicant's employer's certification of hours worked will delineate hours worked in-person and via telecommunications or information technology, allowing the Coordinating Board to determine whether an applicant is a telehealth provider.

Rule 23.303, Applicant Ranking Priorities, is amended to specify in paragraph (3) that eligible nurses who are not telehealth providers will be prioritized over telehealth providers if insufficient funds are available to offer loan repayment assistance to all eligible applicants. Portions of subsections (a)(4), (a)(5), and (b) are removed or revised because they add unnecessary complexity to the prioritization determinations.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Rule 23.301(8) is amended to specify that the definition of "telehealth provider" applies only to individuals who apply for loan repayment assistance on or after September 1, 2027.

The following comments were received regarding the adoption of the new rules.

Comment: The Texas Nurses Association commented its support for the proposed rule amendments.

Response: The Coordinating Board appreciates the comment.

The amendment is adopted under Texas Education Code, Section 61.656, which provides the Coordinating Board with the authority to adopt rules necessary for the administration of the Program.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter K.

§23.301. Definitions.

In addition to the words and terms defined in §23.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Advanced Practice Nurse--A professional nurse, currently licensed in the State of Texas, who has been approved by the Texas Board of Nursing to practice as an advanced practice nurse based on completing an advanced educational program of study acceptable to the Texas Board of Nursing. The term includes a nurse practitioner, nurse-midwife, nurse anesthetist, and a clinical nurse specialist.

(2) Full-Time--An average of at least 32 hours per week during the service period.

(3) Licensed Vocational Nurse--A person currently licensed by the Texas Board of Nursing to practice vocational nursing.

(4) Primary Care HPSA--Primary Care Health Professional Shortage Areas (HPSAs) designated by the U.S. Department of Health and Human Services (HHS) as having shortages of primary care providers and may be geographic (a county or service area), demographic (low-income population), or institutional (comprehensive health center, federally qualified health center, or other public facility), in compliance with the requirements of Section 332 of the Public Health Service Act, 90 Stat. 2270-2272 (42 U.S.C.A. 254e).

(5) Registered Nurse--A person currently licensed by the Texas Board of Nursing to practice professional nursing. For the purposes of this subchapter, an advanced practice nurse is not considered a registered nurse.

(6) Rural County--A county with a population of less than 150,000.

(7) Service Period--A period of 12 consecutive months qualifying an applicant for loan repayment.

(8) Telehealth Provider--An eligible nurse applying for loan repayment assistance on or after September 1, 2027, who delivers fifty percent or more of the nurse's applicable services (measured in hours per week) to patients at a different physical location than the nurse using secure telecommunication or information technology.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 24. STUDENT LOAN PROGRAMS
SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §24.1

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 24, Subchapter A, §24.1, Definitions, with changes to the proposed text as published in the January 23, 2026, issue of the *Texas Register* (51 TexReg 373). The rule will be republished.

This amendment clarifies the definition of "manageable debt.".

The Coordinating Board is authorized by Texas Education Code, Chapter 52, Subchapter C, to adopt rules relating to its student loan programs.

Rule 24.1, Definitions, is amended by clarifying the definition of "manageable debt" so that it can be applied to any student, regardless of the type of credential the student is pursuing, as well as by providing additional detail- relating to timing and method- regarding the Coordinating Board's calculation of manageable debt levels. The methodology for developing manageable debt levels is unchanged. The existing figure is removed, and THECB will publish manageable debt levels, to allow for use of up-to-date information. To improve rule alignment, the definition for "degree or certificate program" is eliminated and separated into two separate terms, each citing to a definition elsewhere in Coordinating Board rules.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Rule 24.1(10) is amended by removing reference to a particular entity's VantageScore product, ensuring alignment between Coordinating Board rules and practice.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Chapter 52, Subchapter C, which provides the Coordinating Board with the authority to adopt rules relating to its student loan programs.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 24, Subchapter A.

§24.1. Definitions.

The following words and terms, when used in chapter 24, shall have the following meanings, unless otherwise defined in a particular subchapter:

(1) Alternative Educator Certification Program--An approved educator preparation program, delivered by entities approved by the State Board for Educator Certification under the provisions of part 7, chapter 228 of this title (relating to Requirements for Educator Preparation Programs), specifically designed as an alternative to a traditional undergraduate certification program, for individuals already holding at least a baccalaureate degree.

(2) Board--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(3) Borrower--An individual who signs a student loan promissory note and thereby assumes liability for the debt and all fees associated with the note and who uses the proceeds of the loan to finance the individual's postsecondary education.

(4) Certificate Program--As defined in §2.3 of this title (relating to Definitions).

(5) Commissioner--The Texas Commissioner of Higher Education.

(6) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(7) Cosigner--An individual who signs a student loan promissory note and thereby assumes liability for the debt and all fees and expenses associated with the note but who is not a direct beneficiary of the proceeds of the loan.

(8) Cost of Attendance--An institution's estimate of the expenses incurred by a typical financial aid recipient in attending a particular institution of higher education. It includes direct educational costs (tuition and fees) as well as indirect costs (room and board, books and supplies, transportation, personal expenses, and other allowable costs for financial aid purposes).

(9) Degree Program--As defined in §2.3 of this title.

(10) Favorable Credit Report Evaluation--A determination made by the Coordinating Board regarding a prospective borrower or cosigner's creditworthiness. For the purposes of this chapter, a borrower or cosigner is considered to have a favorable credit report evaluation if the person:

(A) Has a VantageScore of 650 or higher;

(B) Does not have public records that demonstrate credit concerns such as tax liens or bankruptcy proceedings;

(C) Has a minimum of four credit trade lines, excluding student loans or authorized user accounts; and

(D) Has not defaulted on any federal, state, or private education loans.

(11) Fund--The Texas Opportunity Plan Fund as created by the Constitution of the State of Texas, Article III, 50b; the Student Loan Revenue Bond Fund authorized in the Texas Education Code, chapter 56, subchapter H; and/or the Student Loan Auxiliary Fund, authorized in the Texas Education Code, chapter 52, subchapter F.

(12) Half-Time--For undergraduates, enrollment or expected enrollment for the equivalent of at least six but fewer than nine semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 50 percent of the normal full-time course load of the student's program of study as defined by the institution.

(13) Institution of Higher Education--As defined in Texas Education Code, §61.003.

(14) Insufficient Resources to Finance Education--A requirement for a student to be eligible for certain loan programs. For the purposes of this chapter, a student is considered to have insufficient resources to finance his or her education if the student's cost of attendance is greater than the total amount of financial aid offered to the student. The amount of federal Direct Loans for which the student is eligible must be included in the calculation of the financial aid offered, regardless of whether the student receives the loans.

(15) Manageable Debt--A student's level of aggregated student loan debt from all sources (including federal, state, and private student loans) such that the student's estimated monthly payment (for all loans) five years after graduation is less than 10 percent of the student's projected income, assembled using wage data from the Texas Workforce Commission based on the student's course of study. Not later than the final day of January of each odd-numbered year, the Coordinating Board shall publish updated manageable debt levels.

(16) Private or Independent Institution of Higher Education--As defined in Texas Education Code, §61.003.

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

(18) Repayment Period--The length of time during which a borrower is expected to fully repay the borrower's loan(s). The repayment period is used to determine the number of payments required to repay the loan(s) and therefore the borrower's minimum monthly payment.

(19) Student Loan--A loan incurred by a student to assist in covering the student's cost of education.

(20) Student Loan Debt--The outstanding balance of principal, interest, and fees associated with an individual's education or student loans.

(21) Semester Credit Hour--A unit of measure of instruction, represented in intended learning outcomes and verified by evidence of student achievement, that reasonably approximates one hour of classroom instruction or direct faculty instruction and a minimum of two hours out of class student work for each week over a 15-week period in a semester system or the equivalent amount of work over a different amount of time. An institution is responsible for determining the appropriate number of semester credit hours awarded for its programs in accordance with Federal definitions, requirements of the institution's accreditor, and commonly accepted practices in higher education.

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. COLLEGE ACCESS LOAN PROGRAM

19 TAC §24.45

The Texas Higher Education Coordinating Board (Coordinating Board) adopts amendments to Title 19, Part 1, Chapter 24, Subchapter D, §24.45, Loan Amount and Interest Rate, with changes to the proposed text as published in the January 23, 2026, issue of the *Texas Register* (51 TexReg 374). The rule will be republished.

This amendment extends aggregate debt limits in the Program to students enrolled in master's degree programs.

The Coordinating Board is authorized by Texas Education Code, Chapter 52, Subchapter C, to adopt rules relating to its student loan programs.

Rule 24.45, Loan Amount and Interest Rate, is amended to reflect the extension of the aggregate debt limit associated with the definition of "manageable debt" in §24.1 to graduate students enrolled in master's degree programs in subsection (c)(2). Conforming edits are made to subsection (c)(3) to specify that doctoral and professional students are subject to a different aggregate debt limit.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule.

Rule 24.45(c) is amended to specify in subsections (c)(2) and (c)(3) that the application of the manageable debt standard for students enrolled in master's degree programs applies only to such students who apply for a loan on or after October 15, 2026. This change is intended to align with the Coordinating Board's transition to a new loan processing system.

No comments were received regarding the adoption of the amendments.

The amendment is adopted under Texas Education Code, Chapter 52, Subchapter C, which provides the Coordinating Board with the authority to adopt rules relating to its student loan programs.

The adopted amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 24, Subchapter D.

§24.45. Loan Amount and Interest Rate.

(a) Minimum Loan Amount. No College Access Loan may be authorized for less than $100.

(b) Annual Loan Limit. In no case shall the annual loan amount exceed the difference between the cost of attendance and the financial resources available to the applicant, including the applicant's scholarships, gifts, grants, and other financial aid. The student's maximum eligibility for Federal Direct Loans, except for Federal PLUS loans, must be considered by the institution as other financial aid, whether or not the student actually receives such assistance.

(c) Aggregate Loan Limit.

(1) For students enrolled in undergraduate degree programs, the maximum aggregate loan amount for any eligible student shall not exceed the student's manageable debt level, as defined in §24.1 of this chapter (relating to Definitions).

(2) For students enrolled in master's degree programs who apply for a loan on or after October 15, 2026, the maximum aggregate loan amount for any eligible student shall not exceed the student's manageable debt level, as defined in §24.1 of this chapter.

(3) For students enrolled in doctoral or professional degree programs and students enrolled in master's degree programs who apply for a loan before October 15, 2026, the maximum aggregate loan amount for an eligible student is the sum of the student's annual limits.

(d) Interest Rate. The interest rate charged for new loans shall be set from time to time by the Commissioner, shall be simple interest, and shall begin to accrue on the outstanding principal from the date of disbursement, including during periods of forbearance.

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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PART 2. TEXAS EDUCATION AGENCY

CHAPTER 127. TEXAS ESSENTIAL KNOWLEDGE AND SKILLS FOR CAREER

DEVELOPMENT AND CAREER AND TECHNICAL EDUCATION

The State Board of Education (SBOE) adopts new §§127.16, 127.752, 127.753, 127.756, and 127.757, concerning Texas Essential Knowledge and Skills (TEKS) for career development and career and technical education (CTE). The new sections are adopted with changes to the proposed text as published in the December 19, 2025 issue of the *Texas Register* (50 TexReg 8139) and will be republished. The adopted new rules add TEKS developed by subject matter experts convened by the Texas State Technical College (TSTC) and Collin College that are needed for completion of CTE programs of study.

REASONED JUSTIFICATION: In accordance with statutory requirements that the SBOE identify by rule the essential knowledge and skills of each subject in the required curriculum, the SBOE follows a board-approved cycle to review and revise the essential knowledge and skills for each subject.

During the November 2022 meeting, the SBOE approved a timeline for the review of CTE courses for 2022-2025. Also at the meeting, the SBOE approved a specific process to be used in the review and revision of the CTE TEKS. The CTE-specific process largely follows the process for TEKS review for other subject areas but was adjusted to account for differences specific to CTE.

In 2023, CTE advisory committees convened to make recommendations for the review and refresh of programs of study as required by the Texas Perkins State Plan. Finalized programs of study were published in the fall of 2023 with an implementation date beginning in the 2024-2025 school year. CTE courses to be developed or revised to complete or update programs of study were determined.

At the April 2023 SBOE meeting, the board discussed and approved changes to the TEKS review process, including approving a process for selecting work group members. The changes were implemented beginning with the engineering TEKS review process in 2023. The SBOE completed the review of existing CTE TEKS, the development of new CTE TEKS, and the review of innovative courses to be approved as TEKS-based courses for new engineering programs of study with the adoption of new engineering CTE TEKS in April 2025.

At the April 2024 meeting, Texas Education Agency (TEA) staff shared an overview of additional, upcoming interrelated needs for TEKS review and revision and instructional materials review and approval (IMRA). Staff explained upcoming needs related to development and amendment of CTE courses, made recommendations for completing the work in batches, and recommended including CTE in the next three cycles of IMRA.

At the June 2024 meeting, the board considered next steps related to the adoption of CTE courses that are needed to complete programs of study and a schedule for future CTE TEKS reviews. The SBOE approved recommendations that TEA present a set of innovative courses with minor edits for consideration for adoption as TEKS-based courses. Additionally, the SBOE authorized TEA to enter into interagency contracts with Collin College, TSTC, and Education Service Center (ESC) Region 4 to develop initial drafts of TEKS for additional CTE courses.

At the June 2025 meeting, the board approved for first reading and filing authorization proposed new TEKS for seven CTE courses developed through interagency contracts with TSTC and ESC Region 4 to complete programs of study in the Business, Marketing, and Finance; Health Science; and Manufacturing Career Clusters. The SBOE approved the proposed new TEKS for 19 TAC Chapters F, J, and O, at its November 2025 meeting.

A discussion item regarding proposed new TEKS for additional CTE courses developed by subject matter experts from TSTC and Collin College through interagency contracts was presented to the Committee of the Full Board at the September 2025 SBOE meeting, and the subject matter experts were consulted to address feedback and finalize their recommendations for the proposed new courses. At the November 2025 meeting, the SBOE approved for first reading and filing authorization proposed new CTE TEKS for an occupational safety and compliance lab in 19 TAC Chapter 127, Subchapter B, and a set of fire science courses in 19 TAC Chapter 127, Subchapter N.

The new sections will ensure the standards for CTE courses support relevant and meaningful programs of study.

The following changes were made since published as proposed.

Chapter 127, Subchapter B

Section 127.16(b) was amended by adding "(CTE)" after "career and technical education."

Section 127.16(b) was amended by adding "Level 2 or Level 3 CTE" after "corequisite."

Section 127.16(c)(5) was amended by adding "such as student chapters of related professional associations" after "profession."

Section 127.16(d)(4)(E) was amended to read, "summarize the purpose of protecting the body, including eyes, face, head, feet, arms, hands, ears, and torso, from industrial hazards."

Section 127.16(d)(10)(E) was amended to read, "describe classes of fire controlled by various extinguishing agents."

Chapter 127, Subchapter N

Section 127.752(c)(4) was amended by adding "such as student chapters of related professional associations" after "profession."

Section 127.752(d)(6)(B) was amended by replacing the abbreviation "A & M" with the abbreviation "A&M."

Section 127.752(d)(8)(E) was amended by replacing the word "Siamese" with the word "siamese."

Section 127.753(c)(4) was amended by adding "such as student chapters of related professional associations" after "profession."

Section 127.753(d)(4)(B) was amended to read, "discuss and analyze potential psychological impacts to first responders after exposure to trauma, including post-traumatic stress disorder (PTSD), chronic stress, anxiety, depression, emotional numbing, and survivor guilt."

Section 127.753(d)(4)(C) was amended to read, "describe potential physical impacts to first responders after exposure to trauma, including burnout, sleep disturbances, fatigue, and a weakened immune system."

Section 127.753(d)(8)(E) was amended to read, "discuss how experiencing a crisis can build resiliency and present opportunities to problem-solve, including decision making, critical thinking, creativity, ethical reasoning, and adaptability."

Section 127.756(c)(4) was amended by adding "such as student chapters of related professional associations" after "profession."

Section 127.757(b) was amended by replacing the word "and" with the word "or" after "Pathophysiology."

Section 127.757(c)(4) was amended by adding "such as student chapters of related professional associations" after "profession."

Section 127.757(d)(4)(C) was amended replacing the word "vomitus" with the word "vomit."

Section 127.757(d)(6)(X) was amended to read, "list common signs and symptoms during pregnancy that can indicate a medical complication requiring immediate attention by a physician; and."

Section 127.757(d)(6)(Y) was amended to read, "identify procedures to stabilize a pregnant female exhibiting signs and symptoms of medical complications requiring immediate attention by a physician."

The SBOE approved the new sections for first reading and filing authorization at its November 21, 2025 meeting and for second reading and final adoption at its January 30, 2026 meeting.

In accordance with TEC, §7.102(f), the SBOE approved the new sections for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2026-2027 school year. The earlier effective date will enable districts to begin preparing for the implementation of the new TEKS. The effective date is 20 days after filing as adopted with the *Texas Register*.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began December 19, 2025, and ended at 5:00 p.m. on January 20, 2026. The SBOE also provided an opportunity for registered oral and written comments at its January 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of the public comment received and corresponding response.

Comment. One teacher recommended including in the proposed new TEKS essential tasks for basic and intermediate peace officer licensing, including tasks related to canine encounters, crisis intervention, and interactions with the deaf and hard of hearing.

Response. The SBOE disagrees that the addition of specific tasks related to canine encounters and interactions with the deaf and hard of hearing is necessary and has determined that tasks related to crisis intervention related to fire science are appropriately addressed in the proposed new rules as amended.

SUBCHAPTER B. HIGH SCHOOL

19 TAC §127.16

STATUTORY AUTHORITY. The new section is adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(n), which allows the SBOE to develop by rule and implement a plan designed to incorporate foundation curriculum requirements into the career and technical education (CTE) curriculum required in TEC, §28.002; TEC, §28.002(o), which requires the SBOE to determine that at least 50% of the approved CTE courses are cost effective for a school district to implement; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-17), which requires the SBOE to ensure by rule that a student may comply with curriculum requirements under TEC, §28.025(b-1)(6), by successfully completing an advanced CTE course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §§7.102(c)(4); 28.002(a), (c), (n), and (o); and 28.025(a) and (b-17).

§127.16. Occupational Safety and Compliance Lab (One Credit), Adopted 2025.

(a) Implementation. The provisions of this section may be implemented by school districts beginning with the 2026-2027 school year.

(b) General requirements. This course is recommended for students in Grades 10-12 as a corequisite course for students participating in a coherent sequence of career and technical education (CTE) courses. This course must be taken concurrently with a corequisite Level 2 or Level 3 CTE course and may not be taken as a stand-alone course. Districts are encouraged to offer this lab in a consecutive block with the corequisite course to allow students sufficient time to master the content of both courses. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The goal of the Occupational Safety and Compliance Lab is to provide an opportunity for students to develop safety awareness in conjunction with occupation-specific coursework. Students build a strong foundation in the occupational safety and compliance concepts that are critical to protecting individuals in the workplace, increasing safety and health, and reducing the occurrence of job-related injuries and fatalities.

(3) In Occupational Safety and Compliance Lab, students build foundational knowledge related to the fields of occupational safety, health, and compliance. Students learn about the Occupational Safety and Health Administration (OSHA), which is charged with the tasks of ensuring that employers provide a safe workplace that is free from recognized hazards, promote health and safety in the workplace, and reduce the occurrence of on-the-job injuries, illnesses, and fatalities. Students use safety resources and discover procedures for collaborating with business and industry regarding ways to increase employee safety and health.

(4) Successful completion of the standards may lead to a student earning a 10-hour or 30-hour general industry OSHA card. To earn the OSHA card, the content must be taught by an authorized OSHA outreach training program trainer.

(5) Students are encouraged to participate in extended learning experiences such as career and technical student organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(6) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student understands career options and educational requirements in occupational safety and compliance. The student is expected to:

(A) describe the impact of internships, career development, and entrepreneurship opportunities in occupational safety and compliance;

(B) identify and analyze career advancement opportunities in occupational safety and compliance at various levels in an organization such as employee, supervisor, and manager; and

(C) identify and explain requirements to obtain professional credentials such as a Certified Safety Professional (CSP), Associate Safety Professional (ASP), Construction Health and Safety Technician (CHST), Occupational Hygiene and Safety Technician (OHST), Certified Hazardous Materials Manager (CHMM), Certified Environmental Manager (CEM), and Board of Certified Safety Professionals (BCSP) in the fields of occupational safety and health compliance.

(2) The student understands the legal responsibilities of work safety in a hazardous workplace. The student is expected to:

(A) explain and discuss responsibilities of workers and employers to promote safety and health in the workplace;

(B) explain the OSHA general duty clause and the rights of workers to a safe and healthy workplace;

(C) explain and discuss the importance of OSHA standards and requirements for organizations;

(D) explain the role of industrial hygiene in occupational health and safety and describe various types of industrial hygiene hazards, including physical, chemical, airborne, excessive noise, physiological, biological, and ergonomic hazards;

(E) identify types and explain appropriate use of personal protective equipment (PPE) used in industry;

(F) explain the importance of safe walking and working surfaces in the workplace and identify best practices for preventing or reducing slips, trips, and falls in the workplace;

(G) describe types of electrical hazards in the workplace and risks associated with these hazards;

(H) describe control methods to prevent electrical hazards in the workplace;

(I) analyze hazards of handling, storing, using, and transporting hazardous materials;

(J) identify and discuss ways to reduce exposure to hazardous materials in the workplace;

(K) identify workplace health and safety resources, including emergency plans and Safety Data Sheets (SDS);

(L) discuss how emergency plans and SDS are used to make decisions in the workplace;

(M) describe elements of a safety and health program, including management leadership, worker participation, and training;

(N) explain the purpose and importance of written emergency action and fire protection plans;

(O) describe key components of written emergency action and fire protection plans such as evacuation plans and emergency exit routes, list of fire hazards, and identification of emergency personnel;

(P) explain components of a hazard communication program; and

(Q) explain and give examples of safety and health training requirements specified by standard setting organizations such as American Conference of Governmental Industrial Hygienists (ACGIH), American National Standard Institute (ANSI), National Institute for Occupational Safety and Health (NIOSH), and Board of Certified Safety Professionals (BCSP).

(3) The student analyzes the federal and state agencies that create and enforce environmental laws. The student is expected to:

(A) identify the objectives of the U.S. Environmental Protection Agency (EPA);

(B) identify the objectives of the Texas Commission on Environmental Quality (TCEQ);

(C) describe how the EPA and the TCEQ monitor compliance and enforce regulations; and

(D) identify and describe federal environmental acts, including Endangered Species Act (ESA); Safe Drinking Water Act (SDWA); Resource Conservation and Recovery Act (RCRA); Toxic Substances Control Act (TSCA); Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund); and Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

(4) The student investigates common safety measures and processes. The student is expected to:

(A) explain the significance of periodic and effective inspections for hazard control;

(B) describe the processes for reporting a hazard or accident to an immediate supervisor;

(C) explain the value of training programs that promote awareness of safety policies and procedures in the workplace;

(D) select appropriate PPE such as safety glasses, face shields, aprons, and gloves based on workplace requirements;

(E) summarize the purpose of protecting the body, including eyes, face, head, feet, arms, hands, ears, and torso, from industrial hazards;

(F) identify and describe specific causes of an incident;

(G) explain the necessity of a comprehensive safety program;

(H) outline principles of housekeeping, including order and cleanliness; and

(I) describe how a disorganized workplace, litter, and debris can create unsafe conditions that lead to accidents and illness in the workplace.

(5) The student demonstrates knowledge of workplace security and violence prevention concepts. The student is expected to:

(A) identify and describe potential types of workplace security events;

(B) identify and describe strategies to enhance workplace security; and

(C) identify and describe strategies to prevent workplace violence.

(6) The student investigates the science of ergonomics in the workplace. The student is expected to:

(A) define ergonomics;

(B) explain how the science of ergonomics is used in various industries such as manufacturing, construction, medical, and energy;

(C) evaluate workplace tasks to identify potential ergonomic problems related to body positions, including posture and awkward positions, and body movements, including repetitive movement, applying extreme force, reaching, pushing, pulling, bending, and weightlifting;

(D) describe primary body systems impacted by ergonomics; and

(E) evaluate workplace conditions that can produce physical fatigue.

(7) The student recognizes and mitigates industrial hygiene and occupational health hazards that lead to injury and illness related to exposure in the workplace. The student is expected to:

(A) explain the role of industrial hygiene in occupational safety;

(B) describe the process to identify hazards using various methods, including reviewing chemical inventories and evaluating potential hazards associated with chemicals found in the workplace;

(C) identify and describe various categories of industrial hygiene hazards;

(D) compare various types of workplace hazards, including biological, chemical, ergonomic, and physical;

(E) identify categories of hazardous substances and describe short- and long-term health effects resulting from exposure to each hazardous substance;

(F) explain industrial hygiene and occupational exposures concepts, including acute and chronic exposures; and

(G) describe essential responsibilities of supervisors, managers, and safety personnel in the prevention of occupational hazards.

(8) The student demonstrates an understanding of hazardous materials safety and handling competencies. The student is expected to:

(A) describe the Occupational Safety Health Administration (OSHA) Hazard Communication Standard, including standards for hazard classification;

(B) interpret and analyze SDS and container labeling requirements;

(C) explain the purpose and importance of proper chemical storage;

(D) describe physical properties of hazardous materials;

(E) identify and describe ways in which hazardous materials enter the body;

(F) explain various strategies to protect from inhalation of harmful airborne substances; and

(G) discuss the significance of safety precautions when handling and using compressed gas in the workplace.

(9) The student evaluates hazard control functions in various occupational settings. The student is expected to:

(A) identify and describe steps to reduce noise exposure;

(B) explain the noise reduction rating (NRR) developed by the EPA;

(C) explain the purpose and importance of eye washes and emergency showers in the workplace;

(D) identify and describe possible hazards related to heating, ventilation, and air conditioning systems;

(E) identify and describe possible hazards related to indoor air quality, including ventilation and adequate air flow;

(F) identify steps to reduce hazards related to general machine guarding, power hand tools, and tool safety;

(G) identify and describe motor vehicle safety and security management techniques such as accident prevention strategies, driver training programs, and vehicle inspection protocols;

(H) describe steps to reduce hazards related to powered industrial trucks; and

(I) identify and describe possible hazards related to ladders and scaffolds.

(10) The student investigates fire safety and emergency management in occupational safety. The student is expected to:

(A) identify and describe proper storage techniques for flammable or combustible materials;

(B) identify and describe the importance of fire systems inspections, fire confinement, emergency exits, and emergency lighting;

(C) describe the importance and maintenance of portable fire extinguishers;

(D) differentiate between fire and combustion; and

(E) describe classes of fire controlled by various extinguishing agents.

(11) The student examines special hazard fire suppression systems. The student is expected to:

(A) describe characteristics of fixed wet and dry chemical extinguishing systems;

(B) describe physical characteristics of carbon dioxide, halogenated hydrocarbons, halocarbons, and inert gases in fire suppression systems;

(C) describe design goals for smoke and fire controls and the corresponding management systems; and

(D) explain fire extinguisher operation, inspection, testing, and maintenance procedures and proper use.

(12) The student examines how accidents impact the workplace. The student is expected to:

(A) evaluate the financial impact on an organization resulting from an accident;

(B) explain workplace accident legal compliance, including OSHA accident reporting, OSHA recordkeeping regulations, and worker's compensation claims; and

(C) identify and compare accident categories, including near miss, minor injury, major injury, and catastrophic injury.

(13) The student demonstrates an understanding of accident prevention and the principles of an effective corrective action plan. The student is expected to:

(A) describe the purpose of corrective actions;

(B) develop an effective corrective action plan for an organization; and

(C) write a report documenting an accident.

(14) The student analyzes accidents and accident reports. The student is expected to:

(A) explain common unsafe actions such as working at unsafe speeds or using unsafe tools;

(B) describe human, job, and workplace factors that lead to accidents;

(C) explain the importance of timely reporting workplace accidents;

(D) complete a standard accident report form;

(E) write an effective accident report, including a summary of an incident, findings, and recommendations, using factual communication;

(F) identify and report causal factors of an accident; and

(G) analyze accident reports of small damage and near misses and describe future prevention of major accidents.

(15) The student understands the process of accident investigations. The student is expected to:

(A) identify and discuss the purpose and benefits of accident investigations in the workplace;

(B) identify and discuss the role that workers, supervisors, managers, and safety personnel have in the accident investigation process; and

(C) identify and describe the phases of an accident investigation.

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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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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SUBCHAPTER N. LAW AND PUBLIC SERVICE

19 TAC §§127.752, 127.753, 127.756, 127.757

STATUTORY AUTHORITY. The new sections are adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(n), which allows the SBOE to develop by rule and implement a plan designed to incorporate foundation curriculum requirements into the career and technical education (CTE) curriculum required in TEC, §28.002; TEC, §28.002(o), which requires the SBOE to determine that at least 50% of the approved CTE courses are cost effective for a school district to implement; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-17), which requires the SBOE to ensure by rule that a student may comply with curriculum requirements under TEC, §28.025(b-1)(6), by successfully completing an advanced CTE course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.

CROSS REFERENCE TO STATUTE. The new sections implement Texas Education Code, §§7.102(c)(4); 28.002(a), (c), (n), and (o); and 28.025(a) and (b-17).

§127.752. Foundations of Fire Protection (One Credit), Adopted 2026.

(a) Implementation.

(1) The provisions of this section may be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(1) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 9-12. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Law and Public Service Career Cluster focuses on planning, managing, and providing legal services, public safety, protective services, and homeland security, including professional and technical support services.

(3) Foundations of Fire Protection provides students with an overview of opportunities and foundational knowledge and skills needed for careers in fire service. Students explore the history of fire science and structure of fire departments and are introduced to basic chemistry, physics, and classifications of fires; extinguishing methods; and firefighting equipment. Additionally, the course reviews employment requirements and certification processes for careers in fire science.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student examines the importance of developing specific, measurable, achievable, realistic, time-bound (SMART) goals and action plans that are aligned with physical ability, age, education, and certification requirements for fire service employment and career advancement. The student is expected to:

(A) identify and explain the process for developing a SMART goal, including identifying a specific goal, establishing measurable benchmarks for the goal, ensuring the goal is achievable and relevant to desired outcomes, and creating a realistic timeline to achieve the goal;

(B) explain benefits of identifying SMART goals, including process, outcome, and performance goals, for fire science professionals and how SMART goals can contribute to career advancement, performance improvement, and operational effectiveness; and

(C) describe tasks for creating an action plan to achieve a SMART goal, including clarifying the goal, brainstorming action steps, prioritizing tasks, setting timelines, anticipating obstacles, and monitoring progress.

(2) The student examines employment requirements for various fire service careers. The student is expected to:

(A) identify employment requirements and job roles and responsibilities for private sector fire service careers, including insurance investigators, fire alarm technicians, fire sprinkler contractors, wildland firefighters, fire protection engineers, refinery firefighters, and industrial firefighters;

(B) identify employment requirements and job roles and responsibilities for various municipal fire service careers, including firefighter, fire inspector, fire marshal, dispatcher, paramedic, emergency medical technician, and public education specialist;

(C) identify employment requirements and job roles and responsibilities for various State of Texas fire service careers, including state fire marshal, fire inspector, arson investigator, wildland firefighter, and education specialist;

(D) identify employment requirements and job roles and responsibilities for various federal fire service careers, including military firefighter, wildland firefighter, heavy equipment operator, fire and explosion investigator, and education specialist; and

(E) describe common employment processes used in selecting public sector firefighters, including applications, written tests, physical agility tests, psychological evaluations, background investigations, interview boards, and medical examinations.

(3) The student understands the role of the Texas Commission on Fire Protection (TCFP). The student is expected to:

(A) describe the firefighter certification process in Texas as required by the TCFP;

(B) differentiate between education, training, and certification requirements established by the TCFP; and

(C) explain the role of the TCFP in the firefighter certification process, including developing training standards, developing certification tests, administering tests, issuing certifications, auditing firefighter continuing education to maintain certification, auditing fire departments, certifying fire training facilities, and maintaining firefighter certification records.

(4) The student recognizes the different types of communication used within the fire service. The student is expected to explain the five modes of communication used in the fire service, including face-to-face, written, radio, telephone, and electronic communication.

(5) The student understands the use of communication techniques to effectively engage with stakeholders. The student is expected to:

(A) explain and demonstrate key elements of adaptive communication, including active listening, interpersonal intelligence, communication style, and observational skills;

(B) analyze the importance of adaptive communication in the fire service to enhance communication with stakeholders;

(C) describe effective interpersonal skills that support effective teamwork in fire service, including active listening, time management, self-discipline, resilience, and interpersonal intelligence; and

(D) describe conflict resolution strategies, including avoiding, competing, accommodating, compromising, and collaborating, and how they may be applied in fire service team dynamics and operational settings.

(6) The student examines legal obligations and ethical behaviors associated with fire service careers. The student is expected to:

(A) discuss the impact of social media, peer influence, drug use, and criminal history on employability in fire science careers;

(B) identify and analyze the role of each of the four Texas State Fire Service agencies: Texas Commission on Fire Protection (TCFP); Texas State Fire Marshal's Office (SFMO); Texas A & M Forest Service (TFS); and Texas A&M Engineering Extension Service (TEEX);

(C) identify and compare professional codes of ethics relevant to fire service, including the Firefighter Code of Ethics developed by the National Society of Executive Fire Officers (NSEFO) and the Congressional Fire Services Institute (CFSI) and the International Association of Fire Chiefs (IAFC) Fire Service Code of Ethics;

(D) discuss how the legal concept of "Duty to Act" is applied in Texas and impacts fire service professionals; and

(E) describe the Texas Good Samaritan Act as defined in Texas Civil Practice and Remedies Code, §74.151, and explain its relevance to fire service professionals and civil liability protection.

(7) The student examines the evolution of the fire service and explains the impact of fire on the development of fire laws, codes, and standards. The student is expected to:

(A) summarize key milestones and technological advancements and how roles have evolved over time in fire science;

(B) differentiate between local, state, and federal fire laws; model codes; and National Fire Protection Association (NFPA) standards, and explain their roles in regulating fire service operations; and

(C) explain how fire losses have influenced the development of national building and fire codes and NFPA standards.

(8) The student examines firefighting apparatus, personal protective equipment (PPE), appliances, tools, and hoses used by various fire departments. The student is expected to:

(A) identify and describe different types of structural firefighting apparatus used by municipal fire departments, including fire engines, aerial ladder trucks, quint trucks, tiller trucks, and heavy rescue vehicles;

(B) identify and describe different types of wildland firefighting apparatus, including wildland engines, brush trucks, and water tenders;

(C) identify and describe different types of aircraft rescue firefighting apparatus, including rotary blade aircraft and fixed-wing aircraft;

(D) identify and describe structural, wildland, and aircraft firefighting PPE;

(E) identify and explain the purpose of common appliances used by structural firefighters, including wyes, water-thieves, siamese valves, smooth-bore nozzles, different types of fog nozzles, and hydrant valves;

(F) identify and explain the purpose of common tools used by structural firefighters, including Halligan bars, axes, pike poles, ladders, hydrant wrenches, spanner wrenches, saws, and rescue tools;

(G) identify and explain the purpose of common tools used by wildland firefighters, including the McLeod tool, flapper, Pulaski tool, fire rake, and saws; and

(H) differentiate among various hoses used by structural and wildland firefighters.

(9) The student researches the Community Risk Reduction (CRR) process. The student is expected to:

(A) define CRR;

(B) describe how a Community Risk Assessment (CRA) impacts the development of a CRR plan;

(C) identify and explain the role of key CRR stakeholders, including the lead agency, CRR coordinator, planning group, risk manager, fire chief, and community leaders;

(D) describe the United States Fire Administration's 5 E's strategies for CRR, including education, engineering, enforcement, economic incentives, and emergency response; and

(E) explain how community, state, and federal governments use CRAs.

(10) The student researches the National Incident Management System (NIMS) and Incident Command System (ICS). The student is expected to:

(A) describe the purpose of NIMS, including common terminology, management by objectives, span of control, resource management, command structure, modular organization, incident action planning, integrated communications, and accountability; and

(B) identify and explain components of the ICS structure, including the Incident Commander (IC), finance, logistics, operations, planning, command posts, public information, liaison officers, safety officers, and emergency operations centers.

(11) The student examines common hierarchical structure of a fire department. The student is expected to:

(A) explain the concept of authority having jurisdiction (AHJ);

(B) describe the common hierarchical structure of a fire department; and

(C) describe the roles and responsibilities of the fire chief.

(12) The student examines various support functions within a fire department. The student is expected to:

(A) identify and describe support functions provided by the fire prevention division, including code enforcement, public education, cause and origin investigation, arson and explosion investigation, background investigation, internal affairs investigation, and public information;

(B) identify and describe support functions provided by fire service special operations teams, including hazardous materials response, high-angle rescue, swift water rescue, confined-space rescue, and urban search and rescue;

(C) identify and describe support functions provided by the fire training division, including recruiting, hiring, and training recruits for initial TCFP certification and providing continuing education training;

(D) identify and describe support functions provided by the equipment maintenance division, including vehicle repairs, service, and testing;

(E) describe the core responsibilities of 911 communication centers, including receiving emergency and non-emergency calls, dispatching response units, maintaining contact with dispatched units, and coordinating with other agencies; and

(F) describe the core responsibilities of the Office of Emergency Management.

(13) The student examines basic principles of fire science, including the chemistry and physics of combustion, methods of heat transfer, and stages of fire development. The student is expected to:

(A) define fire;

(B) identify and list the components of the fire triangle and fire tetrahedron;

(C) describe the physical characteristics of the three states of matter: solid, liquid, and gas;

(D) differentiate between an oxidizing agent and a fuel;

(E) explain the process of pyrolysis and its role in fire development;

(F) define the terms "fuel rich" and "fuel lean" in relation to the flammable range of a gas;

(G) analyze the difference between temperature and heat;

(H) differentiate between ignition temperature and flash point;

(I) define specific gravity and explain its relevance to fire suppression and hazardous materials;

(J) define vapor density and describe its significance in fire and hazardous materials incidents;

(K) describe the stages of fire development, including incipient, growth, free-burning, and decay;

(L) differentiate between flashover and backdraft; and

(M) explain the three primary methods of heat transfer (conduction, convection, and radiation), and describe the role of direct flame contact in fire spread.

(14) The student examines classifications of fire and extinguishing methods. The student is expected to:

(A) identify the five classifications of fire: Class A, B, C, D, and K; and

(B) describe various extinguishing methods for each classification of fire.

(15) The student researches basic components of a municipal water supply system. The student is expected to:

(A) identify the basic components of a municipal water supply system, including water sources, treatment facilities, elevated and in-ground storage tanks, pumps, distribution networks, and fire hydrants;

(B) identify various types of fire hydrants, including dry barrel hydrants and wet barrel hydrants; and

(C) explain the purpose of fire hydrant color coding.

§127.753. Crisis Care (One Credit), Adopted 2026.

(a) Implementation.

(1) The provisions of this section may be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(2) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 11 and 12. Prerequisite: at least one credit in a course from the Law and Public Service Career Cluster. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Law and Public Service Career Cluster focuses on planning, managing, and providing legal services, public safety, protective services, and homeland security, including professional and technical support services.

(3) Crisis Care is designed for future first responders to build awareness, psychological preparedness, and resilience for times of personal or community crisis. Students explore various types of acute crises and examine appropriate crisis intervention techniques to assist in de-escalation and recovery. Additionally, students examine specialized crisis care teams and support agencies during emergencies and disasters.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student examines what constitutes a personal crisis and identifies warning signs of a personal crisis. The student is expected to:

(A) differentiate between a personal crisis, a problem, and an emergency;

(B) describe basic elements of a personal crisis, including a stressful situation, an individual's difficulty coping, and the timing of the intervention;

(C) examine factors that may lead to a personal crisis, including trauma, family conflict, financial instability, community issues, significant life events, and natural disasters;

(D) analyze impacts of various types of personal crises, including mental health, emotional, and trauma-related crises and physical emergencies;

(E) identify and describe warning signs of a personal crisis requiring immediate attention, including threats of physical harm, delusions, hallucinations, extreme withdrawal, not sleeping or eating for several days, verbal abuse, and physical abuse; and

(F) identify and describe indicators of a personal crisis that may require intervention, including expression of intense hopelessness or anger, eating or sleeping difficulties, neglect of personal hygiene, social isolation, and signs of depression, apathy, or anxiety.

(2) The student examines various interventions used to de-escalate a personal crisis. The student is expected to:

(A) explain the key principles of Psychological First Aid (PFA) and how these principles are used to reduce stress and aid in crisis recovery;

(B) describe grounding techniques used in crisis de-escalation, including breathing exercises, sensory awareness and touch, the 5-4-3-2-1 technique, and nature-based calming strategies;

(C) describe communication techniques used in crisis de-escalation, including focusing attention, displaying empathy, asking open-ended questions, reflecting feelings, and summarizing; and

(D) describe how body language, including having an open posture, open hands, or a Duchenne smile and adjusting proximity, influences crisis de-escalation.

(3) The student examines professional resources available to aid in crisis intervention. The student is expected to:

(A) identify the roles and services of local crisis intervention resources such as mental health providers, law enforcement, and community-based organizations;

(B) identify and describe crisis resources provided by the Texas Department of State Health Services (DSHS), including the Health and Human Services Commission (HHSC) Crisis Services Guide and Texans Recovering Together Crisis Counseling and Disaster Behavioral Health Services; and

(C) describe the role of national crisis intervention resources, including the 988 Suicide and Crisis Lifeline, Crisis Text Line, Disaster Distress Helpline (DDH), Substance Abuse and Mental Health Services Administration (SAMHSA) National Helpline, and National Alliance on Mental Illness (NAMI).

(4) The student evaluates the effects of acute and chronic exposure to traumatic events on the health and performance of first responders. The student is expected to:

(A) identify and describe potential warning signs of a mental health crisis in first responders, including emotional distress, behavioral changes, relationship strain, cognitive difficulty, and suicidal ideation;

(B) discuss and analyze potential psychological impacts to first responders after exposure to trauma, including post-traumatic stress disorder (PTSD), chronic stress, anxiety, depression, emotional numbing, and survivor guilt;

(C) describe potential physical impacts to first responders after exposure to trauma, including burnout, sleep disturbances, fatigue, and a weakened immune system;

(D) explain how trauma-related stress impacts interpersonal relationships and social functioning such as irritability, anger, mood swings, and emotional distancing;

(E) analyze how traumatic events can affect job performance, including impaired decision-making, compassion fatigue, absenteeism, and turnover; and

(F) discuss and analyze potential psychological impacts of a line of duty death (LODD) on first responders, including grief reactions, survivor guilt, intrusive memories, substance abuse, and other maladaptive coping behaviors.

(5) The student examines how public safety agencies use Critical Incident Stress Management (CISM) teams in supporting crisis interventions. The student is expected to:

(A) explain the use of Critical Incident Stress Debriefing (CISD) and critical incident stress defusing techniques in mitigating the impact of stress on first responders after traumatic events;

(B) describe the roles of CISM team members, including peer support personnel, clergy, and mental health professionals;

(C) evaluate the benefits of CISM teams within public safety professions, including psychological support, PTSD mitigation, provision of coping mechanisms, increased resilience, increased job satisfaction, reduced stigma, enhanced teamwork, enhanced communication, and increased confidence;

(D) describe common CISM interventions recognized by the National Fallen Firefighter Foundation (NFFF), including defusing, debriefing, peer counseling, individual crisis intervention, pre-incident briefing, and crisis management briefings; and

(E) explain the importance of supporting the needs of first responder families by demonstrating availability, providing timely support, offering assistance, and maintaining trust.

(6) The student examines the structure and function of a Local Assistance State Team (LAST) provided by NFFF in supporting crisis response. The student is expected to:

(A) describe the composition of a LAST, including mental health professionals, crisis responders, clergy, and survivors of suicide loss; and

(B) discuss and analyze the functions of a LAST, including supporting survivors, administering emotional first aid, providing resource information and referrals, and assisting in funeral planning.

(7) The student examines the role of chaplains within public safety agencies. The student is expected to:

(A) describe qualifications of a public safety agency chaplain, including training in crisis response, endorsement by a recognized religious organization, completion of chaplaincy certification programs, and experience in providing emotional and spiritual support in high-stress environments;

(B) identify and explain support services provided by first responder organizations such as the International Association of Fire Chiefs (IAFC), the Federation of Fire Chaplains (FFC), the International Association of Chiefs of Police (IACP), and the International Conference of Police Chaplains (ICPC);

(C) describe the different roles and responsibilities of public safety agency chaplains, including providing spiritual care to agency members, making hospital visits, and conducting weddings, funerals, and LODD ceremonies; and

(D) explain the role of chaplains during critical incidents or emergencies, including support for public safety agency members, members' families, victims' families, and the community.

(8) The student identifies and examines strategies used by first responders to build resilience and overcome challenges. The student is expected to:

(A) explain the concept of resilience and its role in coping with stress, trauma, and challenges in public safety professions;

(B) describe common characteristics of resilient individuals and evaluate the benefits of resilience for professional performance;

(C) identify internal factors, including mindset and self-awareness, that contribute to resilience;

(D) identify strategies to overcome challenges, including creating a support system, focusing on setting goals, and adapting to change;

(E) discuss how experiencing a crisis can build resiliency and present opportunities to problem-solve, including decision making, critical thinking, creativity, ethical reasoning, and adaptability;

(F) describe the stop, think, observe, and proceed (STOP) method of problem solving; and

(G) describe the identify, develop, evaluate, and assess (IDEA) method of problem-solving, including identifying the problem, developing possible solutions, evaluating options, and assessing the result.

§127.756. Disaster Response (One Credit), Adopted 2026.

(a) Implementation.

(1) The provisions of this section may be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(1) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Law, Public Safety, Corrections, and Security. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Law and Public Service Career Cluster focuses on planning, managing, and providing legal services, public safety, protective services, and homeland security, including professional and technical support services.

(3) Disaster Response includes basic training in disaster survival and rescue skills that improve the ability of citizens to survive until responders or other assistance arrives. Students receive education and training to make communities safer, stronger, and better prepared

to respond to public health issues and threats of various disasters, terrorism, and crime.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student examines the functions of the community emergency response team (CERT) and the CERT's role during disasters. The student is expected to:

(A) analyze and compare roles and functions of CERT members before, during, and after a disaster;

(B) analyze how CERT members respond to various types of hazards commonly present in disasters, including their roles in mitigation, response, and recovery; and

(C) analyze state and local laws that protect first responders, including CERT members, during emergency operations.

(2) The student examines various disaster situations. The student is expected to:

(A) classify types of disasters, including man-made and natural; and

(B) identify common causes of disasters, including accidental causes, weather, and acts of human conflict, including domestic terrorism.

(3) The student researches disasters and associated hazard mitigation. The student is expected to:

(A) identify potential hazards associated with different types of disaster events;

(B) describe strategies used to manage hazards and reduce the impact of disasters; and

(C) summarize measures taken prior to a disaster, during the time of the disaster, and after the disaster occurs to mitigate hazards.

(4) The student develops a disaster and emergency preparedness (DEP) response plan. The student is expected to:

(A) develop a response plan and evacuation route in the case of a fire that includes a meeting location; and

(B) develop a response plan that includes a safe shelter location in the event of severe weather emergencies.

(5) The student examines disaster preparedness recommendations provided by various federal, state, and local agencies. The student is expected to:

(A) identify components of a first aid kit for home and vehicle use as recommended by organizations such as the American Red Cross or American Heart Association;

(B) identify essential tools and supplies for disaster supply kits as recommended by different agencies, including the Federal Emergency Management Agency (FEMA);

(C) identify appropriate food, water, kitchen items, clothing, bedding, documents, and contact numbers for inclusion in disaster kits, as recommended by FEMA and other agencies;

(D) simulate assisting first responders in fire safety, search and rescue, and disaster medical operations in accordance with standard operating procedures outlined in sponsoring agencies' Emergency Operations Plans (EOPs); and

(E) identify fire safety components of disaster preparedness in the Volunteer Protection Act of 1997.

(6) The student demonstrates knowledge and skills related to fire safety to assist in disaster situations. The student is expected to:

(A) explain the role of CERT members in fire safety and conduct an assessment in response to a simulated fire emergency;

(B) explain safety precautions used in a disaster event, including a buddy system, backup teams, safety equipment, and utility controls;

(C) identify and predict locations of hazardous materials in residential and community settings; and

(D) define and explain the limit, isolate, eliminate, separate (LIES) method for reducing exposure to hazardous materials and potential harm.

(7) The student investigates fire chemistry and the application of fire chemistry in disasters. The student is expected to:

(A) explain how fires start and identify factors that perpetuate fires;

(B) identify the elements that are required for a fire;

(C) identify the fire hazards associated with ordinary combustibles, flammable and combustible liquids, energized electrical equipment, and combustible metals; and

(D) describe and differentiate between the classes of fires.

(8) The student recognizes common firefighting resources and fire suppression techniques. The student is expected to:

(A) identify fire containment techniques and methods used to restrict the spread of smoke and heat;

(B) compare types of fire accelerants and fuels;

(C) select appropriate firefighting resources to fight a fire based on fuel type or other contributing factors;

(D) explain the information commonly provided on fire extinguisher labels;

(E) identify types of fire extinguishers and the components of a portable fire extinguisher;

(F) simulate the use of a portable fire extinguisher using the pull, aim, squeeze, sweep (PASS) technique; and

(G) compare best practices for fire suppression based on local standard operating procedures and precautions.

(9) The student demonstrates knowledge of hazardous materials and related safety standards. The student is expected to:

(A) identify and evaluate the associated risks of characteristics of hazardous materials based on the type of material, including solids, pressurized substances, liquids, and gases;

(B) define and classify types of hazardous materials according to the National Fire Protection Association (NFPA) 704 standards;

(C) explain the NFPA 704 diamond placard used for hazardous material identification;

(D) explain the meaning of different hazardous material placard colors and how each color contributes to hazmat assessment during disaster response; and

(E) explain common acronyms and symbols used by the NFPA.

(10) The student explores first aid assessment and basic treatment techniques used in disaster response and emergency situations. The student is expected to:

(A) simulate the head tilt chin lift method to open an airway of a patient;

(B) identify the primary types of bleeding and main methods for controlling bleeding, including tourniquet application and wound packing;

(C) research and explain the physiological effects of shock on the human body;

(D) explain signs of shock, including clammy skin, rapid pulse, and nausea;

(E) simulate procedures for treating victims of shock;

(F) explain techniques for controlling symptoms of shock such as elevating the feet and covering the patient with a blanket;

(G) explain and demonstrate correct procedures for administering cardiopulmonary resuscitation (CPR); and

(H) explain and demonstrate correct procedures for using an automated external defibrillator (AED) during CPR.

(11) The student investigates how to maintain personal hygiene and sanitation in a disaster situation. The student is expected to:

(A) define and analyze steps to maintain proper hygiene during a disaster, including getting enough sleep, practicing dental care, bathing regularly, and washing hands frequently;

(B) explain how to dispose of bacterial sources and waste products during a disaster; and

(C) test or simulate the use of a water purification system.

(12) The student organizes and establishes disaster medical triage areas. The student is expected to:

(A) define and explain the concept of simple triage and rapid treatment (START) used to prioritize casualties in a disaster;

(B) explain major sub-functions of disaster medical operations, including triage, sanitation, and treatment areas;

(C) select and evaluate a designated triage area based on proximity to an incident;

(D) evaluate a designated triage area for accessibility by transportation vehicles and potential expansion;

(E) assign triage areas for immediate care, delayed care, and morgue operations; and

(F) develop a documentation protocol for triage victims that includes available identifying information, physical description, clothing, injuries, treatment provided, and transfer location.

(13) The student simulates a head-to-toe patient evaluation to identify and document injuries. The student is expected to:

(A) define and summarize indicators of injury observed during a head-to-toe assessment;

(B) distinguish between the severity of various injuries and the appropriate level of treatment needed;

(C) document patient injuries, including location and type of injuries; and

(D) describe common closed-head, neck, or spinal injuries.

(14) The student explores treatment techniques for injuries commonly encountered in disaster situations. The student is expected to:

(A) define terms related to the layers of skin;

(B) classify the severity of burns;

(C) define and identify methods for controlling bleeding and preventing secondary infection;

(D) simulate techniques used for cleaning wounds and the application of dressings and bandages while on an incident scene;

(E) identify treatment options and actions for managing a foreign object impaled in a patient's body; and

(F) define and demonstrate methods for immobilization of joints immediately above and below an injury.

(15) The student examines search and rescue operations. The student is expected to:

(A) assess a rescue scene and formulate a plan of action based on available information;

(B) explain safe techniques for debris removal and victim extrication from below ground entrapments;

(C) create a plan for assigning staff to perform tasks for debris removal and victim extrication;

(D) identify necessary materials for stabilizing various hazards on an accident scene;

(E) describe how to stabilize an object prior to lifting to ensure responder and victim safety; and

(F) simulate a lift to gain access to a victim and troubleshoot possible impediments.

(16) The student researches documentation required during a disaster response by CERT members. The student is expected to simulate the collection and recording of documentation on incident status, location, access routes, identified hazards, and support locations.

(17) The student examines rescuer safety during search and rescue operations. The student is expected to:

(A) classify response activities based on team capabilities and training levels and scope and type of incident;

(B) evaluate an accident scene involving a trapped victim to determine whether a rescue can be safely attempted;

(C) define and use common terminology that supports effective communication and shared understanding at a rescue site; and

(D) determine team member roles based on the scope of an incident, strategic planning, review of resources, and evaluation of actions and results.

(18) The student examines the psychological impact of a disaster on rescuers and victims and principles of psychological first aid. The student is expected to:

(A) describe appropriate communication techniques for crises and disaster response situations;

(B) explain and analyze the emotional responses that can follow a disaster;

(C) identify steps rescuers can take to reduce stressors on disaster survivors and rescuers;

(D) analyze psychological and physiological responses observed in rescuers after a disaster;

(E) describe potential emotional responses experienced by survivors and rescuers and explain emotional response mitigation strategies that aid first responders during an emergency; and

(F) explain goals of on-scene psychological intervention.

(19) The student discusses terrorism and its implications on CERT operations and community preparedness. The student is expected to:

(A) define vocabulary related to terrorism and homeland security; and

(B) identify how to interpret environmental indicators and warning signs of a biological or chemical attack.

§127.757. Emergency Medical Technician-Basic (Two Credits), Adopted 2026.

(a) Implementation.

(1) The provisions of this section may be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(2) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 11 and 12. Prerequisite: Principles of Law, Public Safety, Corrections, and Security or Disaster Response. Recommended prerequisite: Biology, Medical Terminology, Pathophysiology, or Anatomy and Physiology. Students shall be awarded two credits for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) Law and Public Service Career Cluster focuses on planning, managing, and providing legal services, public safety, protective services, and homeland security, including professional and technical support services.

(3) Emergency Medical Technician (EMT)-Basic provides students with the foundational knowledge needed to provide entry-level emergency medical care, life support, and ambulance service. Students are introduced to key concepts, knowledge, and skills needed by EMT-Basics in the areas of communications, assessment, treatment, transportation, and recordkeeping. This introductory course equips students interested in working in public safety, including fire, police, and emergency medical services (EMS), to perform the duties of an EMT-Basic safely and effectively.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student explores EMS systems and roles and responsibilities of an EMT-Basic. The student is expected to:

(A) describe and explain the EMS systems available to patients;

(B) differentiate the roles, scope of practice, and responsibilities of an EMT-Basic from other pre-hospital care providers such as firefighters and law enforcement;

(C) describe roles and responsibilities of EMT-Basics related to personal safety and the safety of the crew, patient, and bystanders while responding to, operating at the scene of, and transporting from an emergency incident;

(D) summarize key Texas statutes and regulations governing EMS systems, including provisions from 25 Texas Administrative Code (TAC) Chapter 157 (relating to Emergency Medical Care) and Texas Health and Safety Code, Chapter 773; and

(E) research and analyze various methods of accessing an EMS system within a local community.

(2) The student explores medical, legal, and ethical considerations in emergency medical services operations as an EMT-Basic provider. The student is expected to:

(A) describe out-of-hospital (OOH) and do not resuscitate (DNR) directives as described in 25 TAC §157.25 (relating to Out-of-Hospital Do Not Resuscitate (OOH-DNR) Order), and explain local protocol regarding EMS application of DNR directives, including field termination procedures;

(B) define consent and differentiate between expressed and implied consent in emergency situations;

(C) summarize appropriate methods for obtaining patient consent;

(D) determine the conditions necessary for an EMT-Basic to have a duty to act;

(E) explain the importance, necessity, and legal protections of patient confidentiality;

(F) describe actions an EMT-Basic should take to preserve a crime scene; and

(G) identify conditions that require an EMT-Basic to notify local law enforcement officials.

(3) The student develops foundational knowledge of human anatomy and physiology to support emergency medical care. The student is expected to:

(A) define anatomical terms such as medial, lateral, proximal, distal, superior, inferior, anterior, posterior, midline, right and left, mid-clavicular, bilateral, and mid-axillary; and

(B) describe the basic anatomy and physiology of the respiratory, circulatory, musculoskeletal, nervous, and endocrine systems and explain the function of major organs within each system.

(4) The student demonstrates the importance of basic life support and the priority of artificial ventilation and airway protective skills. The student is expected to:

(A) compare signs of adequate and inadequate breathing;

(B) explain the importance of having a suction unit ready for immediate use when managing a patient's airway;

(C) explain and demonstrate proper suctioning techniques to clear a patient's airway of blood, vomit, and other obstructions to prevent aspiration;

(D) explain and demonstrate proper techniques and devices for securing air flow for patients, including bag-valve-mask, Sellick maneuver, and pocket mask artificial ventilation;

(E) explain and demonstrate the skills of basic airway techniques, including use of oropharyngeal and nasopharyngeal airway adjuncts with a bag-valve-mask;

(F) explain and demonstrate the use of end-tidal capnography (ETCO2) by correctly applying ETCO2 nasal canula and endotracheal tube devices;

(G) interpret ETCO2 waveform and numeric value to assess adequate ventilation of patient's lungs; and

(H) explain and demonstrate proper use of a supraglottic airway device.

(5) The student recognizes that patient assessment serves as the foundation for all treatment decisions for any emergency scene. The student is expected to:

(A) evaluate an emergency scene for potential hazards to responders, patients, and bystanders;

(B) assess an emergency scene by identifying the number of patients, mechanism of injury or nature of illness, and severity of each patient's condition to determine if additional resources are needed;

(C) conduct an initial patient assessment, including forming a general impression, determining responsiveness, and assessing airway, breathing, and circulation;

(D) demonstrate a triage method to determine patient priority at emergency scenes with multiple casualties;

(E) describe and demonstrate methods of assessing patient traumatic injuries, including the rapid trauma assessment;

(F) explain and demonstrate the components of conducting a patient assessment, including documenting medical history of patients with medical complaints or signs and symptoms of medical need;

(G) explain and demonstrate the components of a detailed physical examination of a patient using a systematic head-to-toe approach to identify injuries or conditions not immediately apparent and determine interventions needed and reassess interventions to assure appropriate ongoing continuum of care;

(H) explain the components of common EMS communication systems, including radio procedures, interpersonal communication techniques, and patient care reporting formats;

(I) explain the components of a pre-hospital patient care written report, including documentation of chief complaint, history of present illness, allergies to medications, current medications, treatments provided during transport, and any changes to the patient's condition as a result of those treatments;

(J) describe components of a no transport report, including documentation of chief complaint, history of present illness, and attempts to gain consent from a patient for transport; and

(K) analyze legal considerations related to a patient refusal, including patient decision-making capacity and documentation of associated risks.

(6) The student explores the signs, symptoms, and pathophysiology of medical emergencies. The student is expected to:

(A) describe signs and symptoms of diabetic, cardiac, respiratory, neurological, and integumentary system emergencies and emergencies related to heat and cold exposure, bites, stings, and poisoning;

(B) describe the medical care for patients experiencing diabetic, cardiac, respiratory, neurological, and integumentary system emergencies and emergencies related to heat and cold exposure, bites, stings, and poisoning;

(C) identify common medications administered by an EMT-Basic and identify the steps for assisting a patient with self-administration of prescribed medications;

(D) identify common respiratory emergencies, including asthma, chronic obstructive pulmonary disease (COPD), and anaphylaxis;

(E) describe appropriate emergency medical care for respiratory distress, including the administration of oxygen, prescribed inhalers, and nebulized medications;

(F) identify cardiovascular emergencies, including heart attack, stroke, and cardiac arrest, and describe signs and symptoms of cardiovascular disease;

(G) describe and demonstrate standard placement protocols for applying 4-lead and 12-lead electrocardiogram (ECG) electrodes to a patient for cardiac monitoring;

(H) explain the purpose and procedures for transmitting a 12-lead ECG to a receiving hospital using appropriate communication equipment and procedures;

(I) simulate the administration of prescribed nitroglycerin for chest pain, following proper dosage, indications, and contraindications;

(J) explain the function and demonstrate the proper use of an automated external defibrillator (AED) for a cardiac arrest scenario;

(K) identify signs and symptoms of altered mental status associated with a patient taking diabetic medications;

(L) list steps in emergency medical care for a hypoglycemic patient, including the administration of oral glucose;

(M) identify the signs and symptoms of an allergic reaction, including respiratory distress, hives, and swelling;

(N) describe emergency care procedures for allergic reactions, including airway assessment and administration of a prescribed epinephrine auto-injector;

(O) identify the signs and symptoms of poisoning or overdose and ways poisons enter the body;

(P) explain emergency medical care for suspected poisoning, including indications, contraindications, and procedures for administering activated charcoal;

(Q) identify, assess, and record patient vital signs, including pulse, respiratory rate, blood pressure, and oxygen saturation;

(R) describe and demonstrate proper techniques for lifting and moving patients;

(S) list signs and symptoms of water-related emergencies and describe complications and medical care of near-drowning victims;

(T) define behavioral emergencies and explain their impact on patient care, scene safety, and EMS response;

(U) identify medical and legal considerations in psychological emergencies and describe common causes of psychological crises;

(V) describe emergency medical care for a patient experiencing behavioral distress, including assessment and de-escalation techniques;

(W) describe safe restraint techniques for violent or combative patients;

(X) list common signs and symptoms during pregnancy that can indicate a medical complication requiring immediate attention by a physician; and

(Y) identify procedures to stabilize a pregnant female exhibiting signs and symptoms of medical complications requiring immediate attention by a physician.

(7) The student explores mechanisms of injury and pathophysiology of traumatic injury across body systems. The student is expected to:

(A) describe how shock affects major body systems, including the cardiovascular, respiratory, and renal systems, and demonstrate emergency medical care appropriate for a patient exhibiting signs and symptoms of shock;

(B) describe and demonstrate emergency care for controlling external bleeding, including the use of direct pressure, pressure points, and tourniquets;

(C) identify signs and symptoms of internal bleeding and describe appropriate emergency medical care;

(D) identify signs and symptoms of internal bleeding based on mechanism of injury;

(E) identify types of soft tissue injuries, including open, closed, and burn-related injuries;

(F) describe emergency care for closed soft tissue injuries, including contusions, hematomas, and crush injuries;

(G) describe and demonstrate proper techniques for dressing wounds, bandaging, and applying splints and tourniquets;

(H) identify bones of the musculoskeletal system and describe functions of each bone group;

(I) identify the difference between open fractures and closed fractures and explain how each type of fracture affects the implementation of musculoskeletal care;

(J) demonstrate proper immobilization of a painful, swollen, and deformed extremity using appropriate splinting techniques;

(K) analyze functional relationship between the skeletal and nervous systems;

(L) evaluate specific mechanisms of cervical spine injury; and

(M) describe and apply stabilization techniques for cervical spine injuries to a patient in a simulated setting.

(8) The student analyzes medical emergencies involving ill or injured infants and children. The student is expected to:

(A) differentiate emergency response care for infants, children, and adults based on anatomical and physiological differences;

(B) describe and demonstrate proper techniques of foreign body airway obstruction removal in children and infants;

(C) describe and demonstrate proper medical assessments, bag-valve-mask ventilations, and oxygen delivery for infants and children; and

(D) describe emergency care procedures for managing seizures, respiratory emergencies, hypoperfusion, and cardiac arrest in infants and children.

(9) The student describes the safe operation of an ambulance and related emergency response procedures. The student is expected to:

(A) describe state laws related to the operation of an ambulance;

(B) define cleaning, disinfection, high-level disinfection, and sterilization according to infection control standards;

(C) describe procedures for cleaning and disinfecting patient care equipment and preparing an ambulance for the next emergency response;

(D) identify the types and uses of personal protective equipment (PPE) required for an EMT-Basic in various emergency response scenarios;

(E) explain the purpose and fundamental components of patient extrication in emergency situations;

(F) distinguish between simple and complex access methods used during vehicle entrapment and describe considerations for patient safety;

(G) describe the roles and responsibilities of an EMT-Basic during a hazardous materials incident;

(H) describe the actions and sequential steps an EMT-Basic should take when responding to a hazardous materials call in accordance with safety protocols;

(I) identify the criteria used to identify a multiple-casualty incident;

(J) describe the criteria used to initiate disaster operations in response to large-scale emergencies; and

(K) explain and demonstrate triage principles used during a mass casualty incident and describe the components of an established triage system.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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

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CHAPTER 153. SCHOOL DISTRICT PERSONNEL

SUBCHAPTER FF. COMMISSIONER'S RULES CONCERNING PREPARING AND RETAINING EDUCATORS THROUGH PARTNERSHIP PROGRAM ALLOTMENT

19 TAC §§153.1301 - 153.1306

The Texas Education Agency (TEA) adopts new §§153.1301 - 153.1306, concerning school district personnel. New §153.1301 and §153.1306 are adopted without changes to the proposed text as published in the January 23, 2026 issue of the *Texas Register* (51 TexReg 381) and will not be republished. New §§153.1302 - 153.1305 are adopted with changes to the proposed text as published in the January 23, 2026 issue of the *Texas Register* (51 TexReg 381) and will be republished. The adopted new subchapter establishes rules concerning the Preparing and Retaining Educators Through Partnership (PREP) Program Allotment, which was enacted by House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025.

REASONED JUSTIFICATION: HB 2 established the PREP Program Allotment and requirements needed for districts and open-enrollment charter schools to access funds. New Texas Education Code (TEC), §21.911, requires the commissioner to establish rules necessary to implement TEC, Chapter 21, Subchapter R.

Definitions

Adopted new §153.1301 establishes definitions for commonly used terms in new Subchapter FF.

General Provisions

Adopted new §153.1302 establishes general provisions for the PREP Program Allotment. The new rule streamlines and clarifies general provisions that apply to all five of the PREP programs funded by the allotment. Each subsequent section under Subchapter FF details additional provisions unique to each of the PREP programs.

New §153.1302(a) establishes eligibility requirements for accessing PREP Program Allotment funds, application procedures, and approval processes. It also establishes a process through which school systems could identify interest in the funding opportunity, as the PREP program is an optional entitlement.

New §153.1302(b) includes provisions for school system funding and spending. PREP Program Allotment funding is based on a statutory formula, and the subsection clarifies how TEA will calculate allotments.

New §153.1302(c) indicates information school systems must submit to TEA in order for TEA to calculate annual allotments, along with information that will be necessary for the commissioner to engage in periodic reviews of programs under the requirements of TEC, §21.909. Based on public comment, language has been added to §153.1302(c)(1)(C) at adoption concerning potential referrals to the State Board for Educator Certification (SBEC) for false certification of program submissions.

New §153.1302(d) clarifies the periodic review process that the commissioner is required to implement under TEC, §21.909. This subsection also includes actions TEA may take as a result of the reviews.

New §153.1302(e) specifies how renewals or withdrawals from the program will occur to allow school systems to plan accordingly.

PREP Preservice Residency Preservice Program

HB 2, 89th Texas Legislature, 2025, created an optional PREP Residency Preservice Program, detailed in TEC, §21.904 and §48.157, for those districts choosing to implement a paid teacher residency program. Section 153.1303 further clarifies requirements in statute for the PREP Residency Preservice Program.

Adopted new §153.1303(a) specifies general provisions related to the new rule.

Adopted new §153.1303(b) specifies eligibility for school districts, charter schools, and educator preparation programs (EPPs).

Adopted new §153.1303(c) specifies program standards, including partnership agreements, clinical teaching experience, teacher resident engagement, coursework completion, and host and mentor teacher pairing.

Adopted new §153.1303(d) establishes performance goals.

Adopted new §153.1303(e) specifies timelines for periodic reviews of performance goals.

Adopted new §153.1303(f) outlines funding requirements. At adoption, §153.1303(f)(1)(C) has been modified to better align with the flexibility in the relevant statute by allowing 80 additional PREP residency candidates to generate allotment funding at the rate defined for the traditional preservice program rather than the 40 in the original rule proposal. A technical correction was made to §153.1303(f)(1)(C) changing "does not exceed" to "exceeds" to ensure the rule aligns with statute.

Adopted new §153.1303(g) outlines program spending requirements.

PREP Grow Your Own Program

HB 2, 89th Texas Legislature, 2025, created an optional PREP Grow Your Own Program, detailed in TEC, §21.906 and §48.157, for those school districts or open-enrollment charter schools choosing to implement a Grow Your Own Program. Adopted new §153.1304 pertains to the PREP Grow Your Own Program.

Adopted new §153.1304(a) specifies general provisions related to the new rule.

Adopted new §153.1304(b) specifies school district and charter school eligibility for participation. Based on public comment, §153.1304(b)(2) has been modified at adoption to provide additional clarity regarding Grow Your Own partnership agreement requirements.

Adopted new §153.1304(c) specifies program standards, including high school program requirements, requirements for supporting school district or eligible charter school employees, guidance and transition supports, scheduled release time for employees, employee job assignment, and completion of bachelor's degree and certification requirements.

Adopted new §153.1304(d) establishes performance goals.

Adopted new §153.1304(e) specifies timelines for periodic reviews of performance goals.

Adopted new §153.1304(f) outlines funding and spending requirements.

PREP Mentorship Program

HB 2, 89th Texas Legislature, Regular Session, 2025, created an optional PREP Mentorship Program, detailed in TEC, §21.907 and §48.157, for those school districts or open-enrollment charter schools choosing to implement a mentorship program in accordance with TEC, §21.458. Adopted new §153.1305 clarifies aspects of law related to mentor training programs for new teachers.

Adopted new §153.1305(a) specifies general provisions related to the new rule.

Adopted new §153.1305(b) specifies program standards, including mentor teacher qualifications, number of beginning teachers a mentor teacher may be assigned, staff who must complete mentor training, and the timelines related to mentor training. Subsection (b) also clarifies the appropriate times of day and frequency with which meetings between mentors and beginning teachers should occur and the topics that mentor teachers and beginning teachers must cover. Based on public comment, §153.1305(b)(2)(D) has been modified at adoption to allow an individual who is not a teacher of record nor a full-time mentor teacher to serve as a mentor for up to eight beginning teachers (changed from four) and to require the schools systems to document these mentors' ability to meet the demands of the role. Additionally, §153.1305(b)(3)(A)(i) has been modified at adoption to allow mentor teachers and any appropriate school system and campus employees to be trained within 45 business days of being assigned a beginning teacher instead of within three weeks.

Adopted new §153.1305(c) establishes program performance goals.

Adopted new §153.1305(d) outlines funding and spending requirements. Based on public comment, §153.1305(d)(1) has been modified at adoption to specify that school systems must provide stipends to mentor teachers annually.

EPP Training Content

Adopted new §153.1306 establishes EPP training content requirements related to the implementation of PREP Preservice Programs.

New §153.1306(a) establishes general provisions for EPP training content development and related training for faculty and staff responsible for preparing teacher candidates in preparation route established by TEC, §21.04422.

New §153.1306(b) establishes TEA processes for the development of content materials prior to use in teacher candidate preparation.

New §153.1306(c) establishes the requirement for TEA to develop and deliver training to EPP faculty and staff to implement and redeliver the required training content materials.

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began January 3, 2026 and ended February 23, 2026. Following is a summary of the public comments received and agency responses.

Comment: Dallas College, Sam Houston State University, and Texas State University commented that the Grow Your Own requirement that addresses partnership with degree-conferring institutes of higher education (IHEs) should be updated to require the bachelor-conferring IHEs be located within the state of Texas.

Response: The agency agrees and, at adoption, has added clarification to §153.1304(b)(2) regarding the subchapter's definition of a qualified IHE.

Comment: The Texas Classroom Teachers Association (TCTA) and American Federation of Teachers - Texas commented that language should be added stating that the mentor teacher must agree to the mentorship assignment.

Response: The agency disagrees. The agreement of the mentor teacher to serve in their role is required in statute by TEC, §21.458(a-1).

Comment: TCTA commented that modifications should be made to include the agreement of the host teacher to serve in the role.

Response: The agency disagrees. The agreement of the host teacher to serve in their role is required in statute by TEC, §21.902(d).

Comment: TCTA commented that, in addition to criminal penalties, the rules should also provide for referral to SBEC for possible educator certificate sanctions.

Response: The agency agrees. Language was added to §153.1302(c)(1)(C) at adoption to include possible referral to SBEC.

Comment: TCTA commented that it supports the inclusion of provisions in §153.1305 (b)(4) to address mentoring time, scheduling, and logistics.

Response: The agency agrees. There is evidence to suggest that providing mentor and beginning teachers with scheduled release time for mentoring activities enhances the effectiveness of the mentoring program.

Comment: TCTA commented that the proposed rule does not state the frequency in which mentor teachers will receive a mentoring stipend and it should be noted in rule that school systems shall provide stipends to mentor teachers annually.

Response: The agency agrees. Funding for the PREP Mentorship Program is awarded on an annual basis, and the required mentor stipends are intended to be paid to mentor teachers annually. Section 153.1305(d)(1) has been updated at adoption to include this information.

Comment: TCTA commented that the proposed rule may be made more transparent by conducting confidential surveys with PREP participants; there is currently no mention of confidentiality in proposed rule text.

Response: The agency offers the following clarification. The agency is subject to the Texas Public Information Act codified under Texas Government Code, Chapter 552, and may only affirm that, to the extent permitted by law, no individual responses will be released to the public in a way that identifies individuals. More information on survey processes and reporting will be provided to PREP participants in advance of survey distribution.

Comment: TCTA recommended that, because the legislature provided specific limitations on prohibited duties for teacher candidates during preservice practice hours, the proposed rules should include those limitations rather than referring to the enabling statute.

Response: The agency disagrees. The proposed rule identifies the requirements in accordance with the statute.

Comment: TCTA commented that SBEC has approval authority over rulemaking and that the proposed rules appear to only address a situation in which SBEC approves inclusion of materials. The commenter recommended a change in language to incorporate the possibility of rejection by SBEC.

Response: The agency disagrees. Section 153.1306(b) describes TEA's responsibilities pertaining to content development processes, not SBEC's responsibilities.

Comment: Educate Texas commented that while the prioritization of selecting current classroom teachers to serve in the mentor teacher role is an important indicator of mentoring quality and relevance to current instructional practice, their stakeholders have expressed concern with staff challenges and the need for more mentor teacher capacity. The commenter stated that increasing the ratio of beginning teachers to mentor teacher from 4:1 to at least 7:1 in §153.1305(b)(2)(D), along with clarifying selection, training, and supports to those individuals, would address their mentor teacher shortage concerns.

Response: The agency agrees. The ratio of beginning teachers to mentor teachers who serve as neither a teacher of record nor a full-time mentor was increased from four beginning teachers to eight beginning teachers at adoption. Additionally, language was added to §153.1305(b)(2)(D) to ensure that school systems retain documentation locally of the mentor teacher's ability to mentor.

Comment: Educate Texas commented that proposed §153.1305 requires school systems to ensure that returning mentor teachers who have completed the Texas Mentorship Training to be trained by the school system in the years after Texas Mentorship Training completion and recommended that the proposed rule also include expectations related to the design, duration, and content of interim trainings. They also recommended the need for local education agencies (LEAs) to deliver Texas Mentorship Training directly.

Response: The agency disagrees. Guidance on the design, duration, and content of interim mentorship training depends on the unique needs of the school system and its mentor and beginning teachers and may differentiate across school systems. Additional guidance on the design, duration, and content of interim mentorship training will be provided both in the PREP Guidebook and via the approved Texas Mentorship Training provider working with the school system, but not in rule.

Comment: Educate Texas commented that it is important to expand approval of school systems to deliver the Texas Mentorship Training.

Response: This comment is outside of the scope of the proposed rulemaking. TEA will provide guidance on this topic at a later point.

Comment: American Federation of Teachers - Texas commented that the requirements in §153.1305(b)(3)(A)(i) for the mentor teacher to be trained before the start of the school year or within three weeks of being assigned a beginning teacher should be removed since the Texas Mentorship Training is not fully developed and the cadence of its availability is unknown.

Response: The agency agrees. Section 153.1305(b)(3)(A)(i) was updated at adoption to allow school systems to train and assign a mentor teacher to a beginning teacher within 45 business days of the beginning teacher's hiring.

Comment: American Federation of Teachers - Texas expressed concern that §153.1306(b) does not include language encouraging stakeholder, general public, or SBEC input on mandatory PREP program trainings. They encouraged TEA to engage stakeholders who will be charged with implementation and consider the advice and participation of SBEC. The commenter stated that although only two trainings (high-quality instructional materials and discipline) have been publicly discussed, there is not a statutory limit on the number the commissioner may eventually require. They recommended that a committee of stakeholders be convened to advise TEA on the development of these trainings.

Response: The agency disagrees. SBEC's authority concerning PREP program input would be addressed in proposed new 19 TAC §228.57(f), which would define SBEC's authority to approve required training content, ensuring that it is based on research and aligned to educator standards as specified in TEC, §21.044(i). Proposed new §228.57(f) would define SBEC's authority and ensure that materials are developed to meaningfully address teacher candidate preparation needs. TEA will conduct a quality review of all developed training content that includes expert perspectives prior to SBEC approval of the training content.

Comment: American Federation of Teachers - Texas expressed concern with the timing of the proposed rules and the corresponding grant cycle. The commenter stated that the rule has a proposed effective date of May 10, 2026, but school systems must accept or decline their Learning Acceleration Support Opportunities (LASO), Cycle 4 grant allotments by March 11, 2026. The commenter noted that this timing may require districts to consent to their grant allotments without seeing the contract.

Response: The agency disagrees. The PREP allotment has a different process and timeline for verifying participation than the grants in the LASO application. Approved districts will have until May 31 to submit verification of participation in the PREP allotment. This verification of participation will include review of, and agreement to meet, these rules.

Comment: Degree Partners strongly encouraged TEA to retain the proposed eligibility framework in §153.1304. The commenter stated that by allowing LEAs to choose the IHEs that best fit their employees' needs, provided there is a formalized partnership with a Texas-accredited EPP, TEA would maximize the impact of the PREP Program Allotment and accelerate the certification of highly motivated, local talent.

Response: The agency offers the following clarification that the rule language in §153.1304 was changed at adoption to update the definition of an eligible IHE in response to stakeholder feedback from public comment.

Comment: Rev Partnership suggested that §153.1305(b)(3) be modified to not require district and campus leaders to engage in Texas Mentorship Training every three years.

Response: The agency disagrees. TEC, §21.458 (b-1), requires training for mentor teachers and any appropriate district and campus employees who work with the classroom teacher or supervise the classroom teacher. Proposed §153.1305(b)(3) intends to provide assistance interpreting the appropriate district and campus employees for training by listing examples, not requirements, for all participating school systems. Additionally, after the initial year of Texas Mentorship Training (TMT), individuals required to complete mentor training in TEC, §21.458(b-1), will engage in an abridged refresher of the TMT content every three years. This will allow school systems to periodically update their mentorship program plans with the support of a TMT provider. TEA will provide additional guidance to school systems on the required participants for the TMT in the PREP Guidebook.

Comment: Rev Partnership requested that §153.1305(4) and (5) be clarified to highlight that mentoring activities focused on instructional planning, curriculum alignment, assessment review, and related professional responsibilities may occur during a teacher's planning period.

Response: The agency disagrees that the rule text should be amended and provides the following clarification. Mentoring activities focused on instructional planning, curriculum alignment, assessment review, and related professional responsibilities may occur during a teacher's planning period, and this information will be clarified in the PREP Mentorship Program guidelines.

Comment: Rev Partnership requested that TEA remove the proposed language requiring the age requirement for certification, as they are concerned it could unintentionally limit student participation. They requested that SBEC consider amending the requirements for this certificate to ensure that students, regardless of age, can be recommended for the certificate once they have met all requirements.

Response: This comment is outside the scope of the proposed rulemaking. However, the agency provides the following clarification. SBEC's proposed amendment to 19 TAC Chapter 230, Subchapter E, addresses the challenge of age requirements for certification by proposing issuance of the Educational Aide I certificate to eligible high school students younger than 18 who meet all other requirements for the industry-based certificate.

STATUTORY AUTHORITY. The amendment is adopted under TEC, §21.901, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes definitions for PREP programs; TEC, §21.902, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes provisions for three PREP Preservice Programs: PREP Preservice Traditional Program, PREP Preservice Residency Program, and PREP Preservice Alternative Program; TEC, §21.903, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes requirements for the PREP Preservice Traditional Program; TEC, §21.904, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes a PREP Preservice Residency Program for participating school districts or open-enrollment charter schools to implement teacher residency preservice programs that provide teacher candidates with extensive year-long clinical practice under the supervision of a host teacher. It also outlines permissible use of allotment funds, which include candidate pay, mentor stipends, and training and administrative costs; TEC, §21.905, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes requirements for the PREP Preservice Alternative Program; TEC, §21.906, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes a PREP Grow Your Own Program for participating school districts or open-enrollment charter schools to implement Grow Your Own Programs supporting district or open-enrollment charter school employees who do not hold a teaching certificate in completing a bachelor's degree and enrolling in a preparation program for teacher certification and high school students in completing education and training career and technical education (CTE) courses to help prepare students for the teaching profession. It also outlines permissible use of allotment funds, which include program implementation and paying tuition and fees for participating students and employees; TEC, §21.907, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes a PREP Mentorship Program for participating school districts or open-enrollment charter schools to implement a mentoring program that meets the requirements of TEC, §21.458, for classroom teachers who have less than two years of teaching experience. It also outlines permissible use of mentor program allotment funds, which include mentor teacher stipends, scheduled release time for mentoring activities, and mentor support through providers of mentor training; TEC, §21.908, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes requirements for educator preparation program supports; TEC, §21.909, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes the requirement for the commissioner to establish performance standards, goals, and periodic review of the PREP program; TEC, §21.910, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which includes provisions for authority to accept certain money; TEC, §21.911, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, requires the commissioner to adopt rules as necessary to implement TEC, Chapter 21, Subchapter R; TEC, §48.157, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes a PREP Program Allotment and a formula to determine the amount to which eligible school districts and open-enrollment charter schools are entitled for each PREP program; TEC, §21.067, as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which requires the commissioner to develop and make available content training materials and related EPP faculty training required for preparing teacher candidates enrolled in any of the PREP Preservice Programs; and TEC, §21.044(i), as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes the content training requirements for teacher candidates enrolled in any of the PREP Preservice Programs.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §§21.901-21.911 and 48.157, as added by HB 2, 89th Texas Legislature, Regular Session, 2025.

§153.1302. General Provisions for the Preparing and Retaining Educators Through Partnership Program.

(a) Eligibility, application procedures, and approval processes.

(1) In addition to school districts, charter schools as defined in §153.1301 of this subchapter (relating to Definitions), may apply to receive funding for the Preparing and Retaining Educators Through Partnership (PREP) Program Allotment with the following provisions.

(A) All preservice PREP programs under Texas Education Code (TEC), §21.902(a), must provide practice opportunities for teacher candidates in prekindergarten-Grade 12 classrooms. Charter schools with a charter granted under TEC, §12.256, and Human Resources Code, §221.002, are ineligible to receive funding under TEC, §48.157, for PREP preservice programs under TEC, §§21.903-21.905, or the PREP Grow Your Own Program under TEC, §21.906.

(B) Charter schools with a charter granted under TEC, §12.256, and Human Resources Code, §221.002, are eligible to apply for the PREP Mentorship Program under TEC, §21.907.

(C) Charter schools that have a charter granted under TEC, Chapter 12, Subchapter C, are subject to the funding caps described in TEC, §48.157.

(D) Charter schools that have a charter granted under TEC, Chapter 12, Subchapter C, must have a written agreement with the partner school district to document how allotment funds generated through the partnership will be spent.

(2) Annually, the Texas Education Agency (TEA) will make publicly available an application and approval process for school systems to apply for PREP program funding under TEC, §§21.903-21.907 and 48.157.

(A) Annually, TEA shall provide:

(i) the timeline for application and approval; and

(ii) statutorily based minimum requirements necessary for an application to be eligible for approval.

(B) School systems must apply for approval separately for each PREP program under TEC, §§21.903-21.907. The approval of one PREP program does not guarantee approval of a separate PREP program.

(C) If TEA determines that an initial application is incomplete, the application will not be approved for funding.

(D) Applicants that are determined to meet the statutorily based minimum requirements shall be approved individually for each PREP program under TEC, §§21.903-21.907.

(E) If a school system's application for a PREP program is denied, it may submit a written response or request for a second review within 30 days of TEA sending the school system its notification.

(3) Annually, TEA will make publicly available a process through which school systems may apply for, add, or remove educator preparation program (EPP) and institution of higher education (IHE) partnerships to meet requirements under TEC, §§21.903-21.906.

(A) Only approved partnerships will be able to generate allotment funding under TEC, §48.157.

(B) Previously approved partnerships must adopt the State Board of Educator Certification-approved EPP content under §153.1306 of this subchapter (relating to Educator Preparation Program Training Content for Preparing and Retaining Educators Through Partnership Preservice Programs) or will lose funding eligibility under TEC, §48.157.

(b) Funding and spending requirements.

(1) State funding.

(A) School systems will receive PREP Program Allotment funds based on information collected via TEA data systems. Any difference from the initial and final amount will be addressed as part of the Foundation School Program settle-up process according to the provisions in TEC, §48.272.

(B) Annually, TEA will collect data on PREP program participants that will generate allotment funding under TEC, §48.157, and other related roles such as cooperating and mentor teachers. These data collections will include participant identification information in addition to campus and school system placements.

(C) School systems shall annually verify and confirm teacher candidate and beginning teacher placements and corresponding allotments by the date communicated by TEA.

(D) TEA may exercise administrative discretion to redirect or recalculate funds to a school system in which the teacher candidate is placed if a school system disputes Educator Certification Online System (ECOS) or Public Education Information Management System (PEIMS) data. Disputes must be received by the dates communicated by TEA.

(2) Spending. School systems must spend funding generated under TEC, §48.157, in accordance with the provisions under TEC, §§21.903-21.907, and the provisions within this subchapter.

(c) Program submissions.

(1) Annually, unless otherwise specified by TEA, school systems shall complete a program submission for each of the PREP programs for which they receive funds under TEC, §48.157. This program submission shall include implementation data and the distribution of allotment funds from the previous school year in accordance with the funding and spending provisions under TEC, §§21.902-21.907 and 48.157, and this section.

(A) School systems must establish local option codes to accurately monitor and report the appropriate distribution of allotment funds.

(B) School system superintendents, chief financial officers, or other staff roles identified by TEA must certify that the information in the program submission is accurate to the best of their knowledge and complies with all applicable state and federal laws, including TEC, Chapter 39, Subchapter D.

(C) The program submission must be submitted in a format prescribed by TEA and include the name and title of the certifying individual, date of certification, and statement of understanding that false certification may result in criminal penalties and/or referral to the State Board for Educator Certification for possible educator certificate sanctions.

(2) Annually, unless otherwise specified by TEA, school systems must have program participants, determined by TEA and communicated annually by August 1 each year, such as teachers, campus principals, and human resources personnel, respond to surveys developed by TEA to gauge the perception of the school system's implementation of applicable PREP programs.

(3) School systems shall provide TEA all other data and information requested on PREP program implementation per TEC, §21.902(c)(4) and §21.906(d)(5), or otherwise needed to implement periodic reviews under TEC, §21.909, and subsection (d) of this section. School systems shall submit this data in the format specified by TEA by the communicated deadline. These collections shall include, at minimum, evidence of implementation of written agreements with EPPs or IHEs under TEC, §21.902(c)(1) or §21.906(d)(3), and submission of data through systems such as ECOS and PEIMS for individuals that generate an allotment under TEC, §48.157.

(d) Periodic reviews.

(1) Annually, or at any other time determined by TEA, TEA may engage in a review, pursuant to TEC, §48.272(e), and subject to the period of review limitation in TEC, §48.272(f), of a school system's approved PREP program.

(2) Annually, TEA will review the school system's program submission.

(A) If a school system's program submission under this subsection is incomplete, the commissioner:

(i) may require the school system to complete the submission;

(ii) may require the school system to develop and implement a PREP program improvement plan; or

(iii) may partially or fully rescind the school system's current allotment under TEC, §48.157.

(B) If a school system's program submission includes incorrect information, the commissioner:

(i) may review a school system's PREP Program Allotment budgets and fiscal reports under TEC, §48.010, and in accordance with subsection (e) of this section;

(ii) may take action under TEC, §48.270 and §44.051;

(iii) may require the school system to develop and implement an improvement plan;

(iv) may partially or fully rescind a school system's current allotment; or

(v) may prohibit the school system from participating in a PREP program for a period not to exceed five years consistent with TEC, §21.909(c).

(3) Every three years, TEA will review a school system's performance goal attainment according to the provisions for each of the PREP programs under this section and §153.1303 of this subchapter (relating to Preparing and Retaining Educators Through Partnership Residency Preservice Program), §153.1304 of this subchapter (relating to Preparing and Retaining Educators Through Partnership Grow Your Own Program), and §153.1305 of this subchapter (relating to Preparing and Retaining Educators Through Partnership Mentorship Program). If, in reviewing one of the school system's PREP programs under TEC, §§21.903-21.907, the commissioner determines that the school system has failed to meet the performance goals established for a PREP program under this section and §§153.1303-153.1305 of this subchapter, the commissioner:

(A) may require the school system to develop and implement a PREP program improvement plan;

(B) may partially or fully rescind a school system's current allotment; and

(C) shall prohibit the school system from participating in a PREP program for a period not to exceed five years consistent with TEC, §21.909(c).

(e) Renewals and withdrawals.

(1) Annually, a school system that has been previously approved for funding for a PREP program and does not have a current prohibition on participation in a PREP program under subsection (d)(2)(B)(v) or (3)(A)(iii) of this section will automatically continue to generate an annual allotment under TEC, §48.157. School systems will not need to re-apply to receive year-over-year funding.

(2) School systems may withdraw from participation in a PREP program according to the timelines and processes established by TEA and made publicly available annually by May 1 each year.

§153.1303. Preparing and Retaining Educators Through Partnership Residency Preservice Program.

(a) General provisions.

(1) The commissioner of education shall establish the Preparing and Retaining Educators Through Partnership (PREP) Residency Preservice Program as a partnership preservice program to enable qualified educator preparation programs (EPPs), as determined by the commissioner, that meet the teacher residency preparation requirements under Texas Education Code (TEC), §21.04422, to form partnerships with school districts and eligible charter schools to prepare candidates for an enhanced standard certificate. Partnerships participating in this program must meet all general provisions described in §153.1302 of this subchapter (relating to General Provisions for the Preparing and Retaining Educators Through Partnership Program).

(2) For residency preservice programs to receive funds under TEC, §21.904 and §48.157, they must meet all provisions described in §153.1302 of this subchapter and the program standards listed in this section.

(b) PREP Residency Preservice Program eligibility.

(1) School district and charter school eligibility. School districts and eligible charter schools must have at least one partnership with an approved EPP that has met the eligibility requirements described in paragraph (2) of this subsection.

(2) EPP eligibility.

(A) To participate in the PREP Residency Preservice Program in the 2026-2027 school year, all EPPs must have received previous State Board of Educator Certification (SBEC) approval to offer the Teacher Residency Preparation Route established under Chapter 228 of this title (relating to Educator Preparation Program Requirements).

(B) To participate in the PREP Residency Preservice Program in the 2027-2028 school year and beyond, all EPPs must have received SBEC approval to offer the PREP Teacher Residency Preparation Route established through SBEC rulemaking authority in Chapter 228 of this title.

(c) Program standards. The partnership must meet all residency preservice partnership requirements described in TEC, §21.902 and §21.904, and requirements for the preparation route under TEC, §21.04422, and Chapter 228 of this title. The residency preservice program partnership shall:

(1) develop and submit to the Texas Education Agency (TEA), upon request, a written partnership agreement with at least one approved EPP, with an attestation and explanation of how the partnership shall meet the standards described in this subsection;

(2) provide the teacher resident with a year-long clinical teaching experience aligned to the candidate's certification area in a prekindergarten-Grade 12 classroom. Candidates must meet all requirements for clinical teaching hours and placement described in §228.65 of this title (relating to Residency). The school district or eligible charter school must support the completion of these requirements;

(3) ensure the teacher resident does not serve as a teacher of record while completing the PREP Residency Preservice Program under TEC, §21.902(e). Teacher resident engagement in responsibilities held by a teacher of record for the purpose of learning must meet the requirements described in TEC, §21.902(f);

(4) work collaboratively to ensure that a candidate's schedule supports the candidate's ability to access and complete all required coursework in the residency program;

(5) select and pair the host teacher with the teacher resident.

(A) For the 2026-2027 school year, the school district or eligible charter school will work with the EPP to ensure and track that the host teacher completes all training requirements as described in Chapter 228 of this title.

(B) For the 2027-2028 school year, the school district or eligible charter school will be responsible for registering the host teacher to complete the TEA-developed Texas Mentorship Training. The school district and eligible charter school will ensure and track that the host teacher completes all training requirements for initial participation and retraining requirements described in Chapter 228 of this title;

(6) ensure that the teacher candidate is mentored by a mentor teacher who has completed the Texas Mentorship Training established under TEC, §21.907, for the candidate's first two years as a teacher of record after completing the partnership preservice program. This requirement only applies to teachers who are initially employed in the school district or eligible charter school where they completed their residency; and

(7) commit to all other school district and eligible charter school partner requirements currently described in Chapter 228 of this title.

(d) Performance goals. Performance outcomes prioritize measurement of:

(1) evidence of partnership requirements under subsection (c)(1)-(7) of this section;

(2) percent of teacher residency candidates who complete certification requirements by attaining an enhanced standard certificate; and

(3) teacher resident employment in Texas school districts and eligible charter schools.

(e) Timelines for periodic reviews. The commissioner will review the performance goals described in subsection (d) of this section for each participating residency preservice program beginning three years following the initial PREP Residency Preservice Program approval under §153.1302(a)(4) of this subchapter.

(f) Program funding.

(1) School district and eligible charter school funding.

(A) The school district or eligible charter school will receive initial payment per TEC, §48.157(j)(2), for up to 40 residents.

(B) The school district or eligible charter school will receive the remaining allotment as described under TEC, §48.157(b)(2), upon the candidate's successful attainment of the enhanced standard certificate within one year of beginning the residency program.

(C) The school district or eligible charter school may fund up to 80 additional teacher residents at the rate described in TEC, §48.157(g). Residents must still be compensated as described in TEC, §21.904(d). This provision is only applicable if the school district or eligible charter school exceeds the total number of candidates under TEC, §48.157(f)(1).

(2) EPP funding. The EPP will receive funding described under TEC, §48.157(h), when each teacher resident completes a full year of employment in a Texas school district or eligible charter school as a teacher of record following attainment of the enhanced standard certificate.

(g) Program spending. Money received under TEC, §48.157, may be used only to implement the PREP Residency Preservice Program and must meet the following spending requirements.

(1) School districts and eligible charter schools shall use funds provided under TEC, §48.157(b)(2), to compensate teacher residents and host teachers as described in TEC, §21.904(c). Teacher residents must be additionally compensated as described in TEC, §21.904(d). The remaining discretionary funding under TEC, §48.157(b)(2), must be used to support the residency preservice program (for example, paying for the TEA-adopted Texas Mentorship Training or funding salaries for program implementation supports, EPP partner supports, expansion of host teacher stipends, or strategic staffing training and support).

(2) EPPs must meet spending requirements pertaining to EPPs under TEC, §48.157(h).

§153.1304. Preparing and Retaining Educators Through Partnership Grow Your Own Program.

(a) General provisions.

(1) The commissioner of education shall establish the Preparing and Retaining Educators Through Partnership (PREP) Grow Your Own Program to enable qualified institutions of higher education (IHEs) and educator preparation programs (EPPs), as determined by the commissioner, to form partnerships with school districts and eligible charter schools to establish innovative staffing pipelines to ensure the availability of high-quality classroom teachers to benefit future school district or charter school students.

(2) The PREP Grow Your Own Program applies to school districts and eligible charter schools that seek to support the following aspiring teacher programs. To attain allotment funding, applicants:

(A) must establish an employee program for school district and eligible charter school employees who remain employed in the school district while completing their bachelor's degree and EPP requirements for teacher certification. Employees must be full-time while serving as a paraprofessional or in a role supporting the instruction of students that is not the teacher of record; and

(B) may establish a program for high school students completing education and training career and technical education (CTE) courses and dual enrollment educator pathway coursework.

(3) For a school district or an eligible charter school to receive funds for the PREP Grow Your Own Program under Texas Education Code (TEC), §21.906 and §48.157, it must meet all provisions described in §153.1302 of this subchapter (relating to General Provisions for the Preparing and Retaining Educators Through Partnership Program) and the program standards listed in subsection (c) of this section.

(b) School district and charter school eligibility. To participate in the PREP Grow Your Own Program, applicants must meet the following eligibility criteria in addition to the requirements described in §153.1302(a) of this subchapter.

(1) Approval to participate in a PREP Preservice Program is described in §153.1302 of this subchapter.

(A) For the 2026-2027 school year, applicants must be approved to participate in the PREP Residency Preservice Program (TEC, §21.904).

(B) For the 2027-2028 school year, applicants must be approved to participate in at least one PREP Preservice Program (TEC, §§21.903, 21.904, or 21.905).

(2) Participating school districts and eligible charter schools must have a written partnership agreement with a Texas bachelor's-degree-conferring public institution of higher education as defined in TEC, §61.003(8), or a bachelor's-degree-conferring private institution of higher education authorized by the Texas Higher Education Coordinating Board to operate in Texas pursuant to Chapter 7, Subchapter A, of this title (relating to General Provisions) and an accredited Texas EPP if not included within the IHE. For the 2026-2027

academic year, bachelor's-degree-conferring private institutions of higher education that have applied for authorization by the Texas Higher Education Coordinating Board to operate in Texas pursuant to Chapter 7, Subchapter A, of this title are permissible partners for the PREP Grow Your Own Program. The partnership agreement must be established and the Texas Higher Education Coordinating Board Certificate of Authorization or Authority issued prior to PREP Grow Your Own Program implementation.

(c) Program standards.

(1) High school program. The participant must ensure the following requirements during the high school student's experience in the PREP Grow Your Own Program.

(A) Students must have access to practice in education and training CTE courses and/or dual credit coursework meeting the requirements described in Chapter 127, Subchapter G, of this title (relating to Education and Training).

(B) During the education and training practicum course, students must be paired with a cooperating teacher who has agreed to participate and meets all the cooperating teacher guidelines developed by the employing school district, their IHE, and EPP partners.

(C) Students must have access to transition supports that provide guidance and support to enroll in a post-secondary pathway. These may include:

(i) providing students information regarding local IHEs or community colleges that offer pathways to teacher preparation programs and approved PREP allotment partnership preservice programs under TEC, §21.902; or

(ii) holding, at minimum, one synchronous IHE/community college recruitment event annually to discuss the school district's or eligible charter school's approved partnership preservice programs.

(D) Students shall obtain the Educational Aide I Certificate to the extent practicable.

(2) School district or eligible charter school employee program. The participant must ensure the following requirements during the employee's experience in the PREP Grow Your Own Program.

(A) Employees must have monthly scheduled release time to support completion of a bachelor's degree while remaining employed in the school district. The school district must work with the undergraduate degree program and the EPP to establish a release time schedule that addresses the employee's needs.

(B) Employees must be employed in a role that includes instructional support for students. Employees must spend at least 25% or more of their day focused on instructional support, including the requirement to practice teaching under the supervision of a cooperating teacher.

(C) Employees must have access to transition supports as described in paragraph (1)(C) of this subsection.

(D) Employees must be paired with a cooperating teacher as described in paragraph (1)(B) of this subsection.

(E) Employees may not serve as a teacher of record while completing the PREP Grow Your Own Program under TEC, §21.902(g)(1). Employee engagement in responsibilities held by a teacher of record for the purpose of learning must meet the requirements described in TEC, §21.902(h).

(F) Employees must attain an Educational Aide III certificate within the first year of beginning participation in the school district's or eligible charter school's PREP Grow Your Own Program.

(G) Employees must complete their bachelor's degree and, at a minimum, be enrolled in an accredited EPP within three years of formally beginning participation in the school district's or eligible charter school's PREP Grow Your Own Program.

(d) Performance goals. Performance goals prioritize measurement of the following.

(1) For the PREP Grow Your Own high school program:

(A) evidence of all high school student program requirements under subsection (c)(1)(A)-(C) of this section;

(B) percent of students who obtain the Educational Aide I certificate; and

(C) percent of students enrolled in a bachelor's degree program.

(2) For the PREP Grow Your Own employee program:

(A) evidence of all employee program requirements under subsection (c)(2)(A)-(D) of this section;

(B) percent of employees who obtain the Educational Aide III certificate;

(C) percent of employees enrolled in an EPP within three years of beginning the program; and

(D) percent of employees who complete their bachelor's degree within three years.

(e) Timelines for periodic reviews. The commissioner will review the performance goals described in subsection (d)(1) of this section for each school district and eligible charter school participant beginning three years following the initial PREP Grow Your Own Program approval under §153.1302(a)(4) of this subchapter.

(f) Funding and spending requirements. School districts and eligible charter schools participating in the PREP Grow Your Own Program must meet funding and spending requirements described in TEC, §48.157.

(1) Funding. The school district's or eligible charter school's PREP Grow Your Own Program will receive the remaining 50% of the funding described in TEC, §48.157, when the PREP Grow Your Own employee completes the bachelor's degree requirements and has, at a minimum, enrolled in an accredited EPP within three years of beginning participation.

(2) Spending. Money received under TEC, §48.157, must be used to implement the PREP Grow Your Own Program (for example, implementation of the high school education and training program, tuition for aspiring teachers, wrap-around and transition supports, strategic staffing training and implementation, costs associated with employee preparation in a PREP Preservice Program, and local salaries for program implementation support).

§153.1305. Preparing and Retaining Educators Through Partnership Mentorship Program.

(a) General provisions.

(1) The commissioner of education shall establish the Preparing and Retaining Educators Through Partnership (PREP) Mentorship Program to provide mentorship to beginning teachers under Texas Education Code (TEC), §§21.907, 21.458, and 48.157.

(2) In order for a school system to receive funds for the PREP Mentorship Program under TEC, §21.907 and §48.157, they must meet all provisions described in §153.1302 of this subchapter (relating to General Provisions for the Preparing and Retaining Educators Through Partnership Program) and the program standards in subsection (b) of this section.

(b) Program standards.

(1) Mentor teacher qualifications. A school system must:

(A) prioritize the selection of current classroom teachers as mentor teachers using clear selection criteria, protocols, and hiring processes that align with requirements of this paragraph and TEC, §21.458, and retain documentation of such processes locally;

(B) select mentor teachers who:

(i) have at least three complete years of teaching experience with a superior record of assisting students, as a whole, in achieving improvement in student performance as determined by a set of student growth and/or achievement data. School systems may use the approved designations under TEC, §21.3521, to fulfill this requirement;

(ii) demonstrate interpersonal skills and dispositional criteria prioritized and documented by the school system;

(iii) demonstrate instructional effectiveness and expertise, to the extent practicable, in research-based instructional practices specifically for the grade levels and subjects to which the beginning teacher is assigned; and

(iv) demonstrate leadership skills such as an ability to effectively communicate, influence colleagues to take action, and build trusting relationships with colleagues; and

(C) prioritize the selection of mentor teachers who have experience as classroom teachers in the past three years.

(2) Mentor teacher assignment. School systems must agree to assign no more than:

(A) two beginning teachers to a mentor teacher who serves as a teacher of record for, on average, four or more hours per instructional day;

(B) four beginning teachers to a mentor teacher who serves as a teacher of record for, on average, less than four hours per instructional day;

(C) fifteen beginning teachers to an individual who serves as a full-time mentor teacher; or

(D) eight beginning teachers to an individual who serves as neither a teacher of record nor a full-time mentor teacher and retain documentation locally of the mentor teacher's ability to meet the demands of the role.

(3) Mentor training. A school system must:

(A) ensure and track that mentor teachers and any appropriate school system and campus employees, such as principals, assistant principals, and instructional coaches, who work with a beginning teacher, supervise a beginning teacher, or oversee the mentorship program complete the Texas Mentorship Training established by the Texas Education Agency (TEA) every three years and:

(i) ensure that mentor teachers and any appropriate school system and campus employees are trained before the beginning of the school year or 45 business days after being assigned a beginning teacher; and

(ii) provide training in alignment with the Texas Mentorship Training scope and sequence that includes best mentorship practices to mentor teachers and any appropriate school system and campus employees throughout the school year;

(B) in the years between Texas Mentorship Trainings, ensure that returning mentor teachers who have completed the Texas Mentorship Training are trained by the school system before the school year begins and one time per semester; and

(C) ensure that any new mentor teachers complete the Texas Mentorship Training in their first year of mentoring.

(4) School system support for mentorship time, scheduling, and logistics. A school system must designate a specific time during the regularly contracted school day for meetings between mentor teachers and the beginning teachers they mentor, which must abide by the mentor teacher and beginning teachers' entitled planning and preparation requirements in TEC, §21.404 and §21.405, and the provisions of paragraph (5)(A) of this subsection. The specific time may vary by campus, grade level, or content area and must be documented by the school system and may be provided through either:

(A) a reduced teaching load for mentor and beginning teachers to facilitate mentor teacher duties described in paragraph (5) of this subsection, which may include rostering and scheduling strategies that provide classroom teachers fewer periods of instruction during the day via approaches such as reducing the number of sections assigned to the mentor teacher, increasing the number of students in certain sections to enable release time, hiring additional staff, or other strategic staffing approaches; or

(B) a release time that is, to the extent practicable, scheduled in advance and predictable.

(5) Duties of a mentor teacher. A mentor teacher must:

(A) meet with each beginning teacher assigned to the mentor teacher not less than 12 hours each semester, with co-teaching or observations of the mentor teacher or other highly effective teachers by the beginning teacher being mentored or observations of the beginning teacher being mentored by the mentor teacher counting toward the 12 hours each semester;

(B) guide, assist, give feedback to, and support the beginning teacher through mentoring sessions addressing:

(i) orientation to the context, policies, and practices of the school system, including:

(I) how to use school system and campus expectations within the classroom and implement routines and procedures with consistency to promote a positive learning environment;

(II) instructional materials, including formative and summative assessments;

(III) campus policies and practices related to instructional preparation; and

(IV) professional expectations;

(ii) data-driven instructional practices, including student work analysis protocols that analyze student work samples individually or collaboratively with the goal of understanding students' thinking, identifying strengths and progress toward mastery, and determining gaps in skills and knowledge; and

(iii) specific instructional coaching cycles, including:

(I) observation and actionable feedback related to research-based instructional strategies;

(II) coaching regarding conferences between parents and the beginning teacher; and

(III) review of available professional development opportunities aligned to feedback; and

(C) meet the mentor requirements specified in Chapter 228 of this title (relating to relating to Educator Preparation Program Requirements) if mentoring a classroom teacher engaging in an internship.

(6) Teacher participation reporting. A school system must ensure mentor teachers and beginning teachers participating in the mentorship program are accurately coded in a data system specified by TEA, such as the Educator Certification Online System, in accordance with TEA's specifications and deadlines.

(c) Performance goals. Performance goals prioritize measurement of:

(1) mentor teacher qualifications under subsection (b)(1) of this section;

(2) mentor teacher training completion under subsection (b)(3) of this section;

(3) mentor teacher duties under subsection (b)(5)(A)-(B) of this section; and

(4) school system duties related to mentoring time, scheduling, and logistics under subsection (b)(4) of this section.

(d) Funding and spending requirements.

(1) A school system shall use money received under TEC, §48.157(b)(5), to provide stipends for mentor teachers annually, including:

(A) for mentor teachers under subsection (b)(2)(A) and (B) of this section, $1,000 per beginning teacher; and

(B) for mentor teachers under subsection (b)(2)(C) and (D) of this section, at least $1,000.

(2) If any money received under TEC, §48.157, remains after providing stipends to mentor teachers in accordance with subsection (c) of this section, the school system may use that money to provide:

(A) scheduled release time for mentor teachers and classroom teachers being mentored to meet and engage in mentoring activities; and

(B) support for mentor teachers through mentor training, strategic staffing training, and compensation for school system staff responsible for overseeing and directing the annual mentorship training requirements.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on April 27, 2026.

TRD-202601802
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Effective date: May 17, 2026
Proposal publication date: January 23, 2026
For further information, please call: (512) 475-1497

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TITLE 22. EXAMINING BOARDS

PART 16. TEXAS BOARD OF PHYSICAL THERAPY EXAMINERS

CHAPTER 341. LICENSE RENEWAL

22 TAC §341.2

The Texas Board of Physical Therapy Examiners adopts the amendment to 22 TAC §341.2 relating to the components of the jurisprudence assessment module that must be completed as part of a licensee's total continuing competence requirement. The amendment is adopted without changes to the proposed text as published in the March 6, 2026 issue of the *Texas Register* (51 TexReg 1368). The rule will not be republished.

The adopted amendment is necessary to implement changes made by the American Physical Therapy Association's adoption of a new Code of Ethics for the Physical Therapy Profession that combines the Code of Ethics for the Physical Therapist and the Standards of Ethical Conduct for the Physical Therapist Assistant into one comprehensive document that went into effect on January 1, 2026. The proposal utilizes generic language to describe professional physical therapy code of ethics and standards to avoid the need for additional amendments if documents are changed and renamed in the future.

No comments were received regarding the adoption of the amendment.

The amendment is adopted under the Physical Therapy Practice Act, Title 3, Subtitle H, Chapter 453, Occupations Code, which provides the Texas Board of Physical Therapy Examiners with the authority to adopt rules consistent with this Act to carry out its duties in administering this Act.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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

TRD-202601738
Ralph Harper
Executive Director
Texas Board of Physical Therapy Examiners
Effective date: May 15, 2026
Proposal publication date: March 6, 2026
For further information, please call: (512) 305-6900

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TITLE 31. NATURAL RESOURCES AND CONSERVATION

PART 2. TEXAS PARKS AND WILDLIFE DEPARTMENT

CHAPTER 65. WILDLIFE

The Texas Parks and Wildlife Commission in a duly noticed meeting on January 22, 2026, adopted amendments to 31 TAC §§65.81, 65.88, 65.90 - 65.92, 65.94, 65.95, 65.97, 65.99, and 65.100, concerning Disease Detection and Response, and

65.610, concerning Deer Breeder Permits. The amendments to §65.95, concerning Movement of Breeder Deer, and §65.610, concerning Transfer Permits, are adopted with changes to the proposed text as published in the December 19, 2025, issue of the *Texas Register* (50 TexReg 8172). The amendments to §§65.81, 65.88, 65.90 - 65.92, 65.94, 65.97, 65.99, and 65.100 are adopted without changes to the proposed text and will not be republished. Section 65.95 and §65.610 are adopted with changes. These rules will be republished.

The change to §65.95 alters subsection (d)(4) to replace the word "site" with the word "facility" to maintain consistency of terminology, and adds a period at the end of subsection (a)(3) for grammatical correctness. .

The change to §65.610 restores the text of subsections (f) and (g), which should have been indicated as "No change" in the proposal but were inadvertently omitted from publication.

The amendments function collectively to clearly define the areas of respective responsibility between the department and the Texas Animal Health Commission (TAHC) with respect to the management of chronic wasting disease (CWD) in Texas, as well as to make clarifications to existing language, and make minor alterations to administrative processes to improve efficiency.

CWD is a fatal neurodegenerative disorder that affects some cervid species, including wildlife resources such as white-tailed deer and mule deer, but also exotic species such as elk, red deer, sika, and their hybrids (referred to collectively as "susceptible species"). It is classified as a TSE (transmissible spongiform encephalopathy), a family of diseases that includes scrapie (found in sheep), bovine spongiform encephalopathy (BSE, found in cattle and commonly known as "Mad Cow Disease"), and variant Creutzfeldt-Jakob Disease (vCJD) in humans. CWD is spread by prions (a misfolded protein that is the infectious agent) that other animals can acquire directly or indirectly via bodily fluids or contaminated environments. CWD prions are known to persist in soil, vegetation, water, and carcasses indefinitely and there is no practical method for denaturing them. Thus, if CWD is not contained and controlled, the implications of the disease for Texas and its multi-billion-dollar ranching, hunting, wildlife management, and real estate economies could be significant.

The department has been concerned for over two decades about the emergence of CWD in free-ranging and captive populations of white-tailed and mule deer in Texas. The department is the primary state agency for the management and protection of native wildlife in the state, while TAHC is the state agency responsible for protecting animal agriculture (livestock and poultry) from disease and human health from zoonotic disease. Under Agriculture Code, §161.101(a)(6), CWD is a reportable disease and requires a veterinarian, veterinary diagnostic laboratory, or person having care, custody, or control of an animal to report the existence of CWD to TAHC within 24 hours after diagnosis. Because CWD can be transmitted between wildlife and farmed animals, there is an obvious nexus of interagency responsibilities in certain situations.

A central component of the joint strategy for CWD management was the department's utilization of TAHC hold orders and quarantines as a regulatory mechanism for isolating and restricting the movement of infected or potentially infected animals. TAHC is no longer a participant in the USDA herd-certification program for deer and has engaged in rulemaking to remove itself from CWD management responsibilities with respect to native wildlife. TAHC will focus on susceptible species other than native wildlife and TPWD's responsibility for CWD management will focus on native CWD-susceptible species under TPWD regulatory authority. Therefore, the proposed amendments would remove all references to TAHC (with exceptions as noted) hold orders, quarantines, and herd plans and replace references to hold orders, quarantines, and herd plans, as appropriate, with references to "disease management plan," which is necessary to create and implement a similar mechanism administered solely by the department and applicable only to white-tailed and mule deer, which are the only two species of native wildlife that are susceptible to CWD.

The amendment to §65.88, concerning Deer Carcass Movement Restrictions, in addition to conforming changes regarding TAHC mentioned earlier in this preamble, extends the applicability of the section to all dead deer being transported (i.e., not just deer killed by hunting), rewords subsection (a) for purposes of clarity, and adds new subsection (b) to address the disposal of deer that die within breeding facilities. The disposal methods for deer that die within exposed and positive breeding facilities are currently addressed under TAHC herd plans; therefore, the department must stipulate those standards in department rules in order to prevent the spread of CWD from breeding facilities where it might or has been confirmed to exist. Additionally, the amendment requires persons transporting carcasses of dead breeder deer to a landfill (if the deer are not interred *in situ*) to possess a completed disposition document on a form approved or supplied by the department, which would be required to accompany deer carcasses during transport and until the carcasses are accepted at the landfill. The amendment is necessary to aid in law enforcement investigations, if necessary, by documenting deer that no longer bear the permanent identification required under Parks and Wildlife Code, Chapter 43, Subchapter L.

The amendment to §65.90, concerning Definitions, consists of a number of related changes intended to address intra-agency roles in CWD management in wildlife contexts and to make clarifications and improvements to definitions used throughout the subchapter. The changes are necessary to prevent misunderstandings and standardize the applicability of various specialized terms.

The amendment adds new paragraph (14) to define "exposed facility" as "a facility that has received exposed deer," and alters current paragraphs (29) and (45) to make those provisions applicable to all types of facilities and not just to deer breeding facilities. The current rule defines "exposed deer" and "exposure" but does not explicitly address facilities that contain exposed deer. The current definitions in paragraphs (29) and (45) reflect the division of labor with respect to the former role of TAHC in CWD management. Because TAHC hold orders and quarantines will no longer be issued for premises on the basis of CWD in wildlife populations, the affected definitions must be made applicable to all facilities (rather than just to breeding facilities) to accommodate that fact.

The amendment also makes several changes affecting terminology related to administrative mechanisms for authorizing the movement of breeder deer. In order to effectively and efficiently track the movement of breeder deer to and from deer breeders for purposes of law enforcement and disease investigations, the department created a specialized database commonly known as TWIMS, which allowed the automation of many permitting processes. Every location where breeder deer are kept or released is assigned a unique "facility ID" in TWIMS. Although the term "facility" has long been defined by rule to apply to any location required to be registered in TWIMS, the term has, for whatever reason, become synonymous with "deer breeding facility." Similarly, although the terms "Movement Qualified" (current paragraph (26)) and "Non-Movement Qualified" (current paragraph (28)), under current rule apply only to breeding facilities, they have for whatever reason erroneously become understood to include movement authorizations for other types of facilities, which is technically and legally not the case. The terms were promulgated to reflect the binary opposition states (predicated on compliance with disease-testing requirements) necessary for TWIMS to allow or prevent the activation of a transfer permit that allows deer movement to and from deer breeding facilities or to other types of facilities; however, the terms have become so commonly used to refer to release locations that the department believes it is easier and more effective to simply alter the rules to expand the applicability of the terms to include all types of facilities. Along the same lines, the term "transfer permit" has long been defined in Chapter 65, Subchapter T, to mean the authorization for movement of breeder deer to or from any type of facility, and some confusion has arisen as to whether "to or from" means "to and from" even though release locations are terminal destinations (i.e., the transfer permit in such cases is a permanent and final "one-way only" authorization of movement to a location from which the deer cannot ever be removed while still alive). Finally, the amendment replaces the term "release site" (current paragraph (34)), with the term "release facility." As discussed earlier in this preamble, every location where breeder deer are kept and every location where breeder deer are released are assigned a "facility ID" in TWIMS. To maintain continuity of terminology, the proposed amendments remove all references to "release sites" and replace them with references to "release facility."

The amendment to §65.91, concerning General Provisions, eliminates references to TAHC and replaces the term "herd plan" with the term "disease management plan" for reasons previously discussed in this preamble. The amendment to subsection (d) addresses situations in which a premise is subject to TAHC movement restrictions because of CWD exposure in a susceptible species other than white-tailed deer or mule deer. The department has determined that because native cervids are susceptible species, allowing breeder deer to be moved from an exposed location represents an unacceptable risk of spreading CWD to native free-ranging and captive deer populations unless a determination based on the particulars of a given circumstance indicate that risk is either non-existent or acceptable. The amendment also alters subsection (e) to create an exception that would allow the transfer of deer to or from a facility designated NMQ if authorized under a disease management plan. The department has determined that there may be unforeseen situations in which compliance with a disease management plan provides epidemiological confidence that the transfer of deer by a facility otherwise not allowed to move deer can be allowed. Finally, the amendment alters subsection (f) to clarify that the provisions of the subsection apply to facilities where CWD has been confirmed as well as facilities where CWD is suspected to be present, which is necessary to address situations in which a facility nominally linked to a positive facility can be cleared following epidemiological investigation.

The amendment to §65.92, concerning CWD Testing, makes conforming changes discussed previously in this preamble.

The amendment to §65.94, concerning Breeding Facility Minimum Movement Qualification, makes conforming changes discussed previously in this preamble.

The amendment to §65.95, concerning Movement of Breeder Deer, makes conforming changes as discussed previously in this preamble and would stipulate that changes in land ownership do not affect the status of a property as a trace-out release site. The department has determined that because CWD is an existential threat to native wildlife, it is necessary to eliminate the potential for unscrupulous persons to evade disease-management obligations by way of real estate transactions. In any case, CWD is a reportable disease under state law and the department has a statutory duty to protect wildlife resources from disease threats.

The amendment to §65.97, concerning Testing and Movement of Deer Pursuant to a Triple T or TTP Permit, makes conforming changes discussed previously in this preamble.

The amendment to §65.99, concerning Breeding Facilities Epidemiologically Connected to Deer Infected with CWD; Positive Deer Breeding Facilities, also makes conforming changes discussed previously in this preamble.

The amendment to §65.100, concerning Violations and Penalties, also makes conforming changes discussed previously in this preamble.

The amendment to §65.610, concerning Transfer of Deer, also makes conforming changes discussed previously in this preamble.

The department received 469 comments opposing adoption of the rules as proposed. Of those comments, 253 provided a reason or rationale for opposing adoption. Those comments, accompanied by the department's response to each, follow. The department notes that because some comments in opposition to the rules consisted of multiple points or components, the department has organized the response to public comment accordingly; therefore, the number of responses is greater than the number of commenters.

Twenty-one commenters opposed adoption and stated in some form or fashion that provisions relating to disease management plans, because of vagueness and lack of specificity, did not provide reasonable assurance that such plans would be based on a consensus reflecting the best available science consistent with veterinary and epidemiological professional practice standards, which could lead to favoritism and/or abuse or at least present the appearance of favoritism or abuse being possible. The department disagrees with the comments and responds that the rules as adopted do not change the process delimited in the current rules, they simply remove references to TAHC and make conforming changes necessary for the department to subsume those duties formerly performed by TAHC. The rules currently in effect were designed to allow latitude and flexibility in the joint development of herd plans by the department and TAHC because there are hundreds if not thousands of possible disease-mitigation scenarios that could be presented by any given facility, facility infrastructure, facility population, or facility transfer history, making it impossible for the rules to accommodate every single potential scenario. Nonetheless, the department is persuaded that concerns about possible favoritism or abuse or even the appearance of opportunity for favoritism or abuse are sufficiently compelling to pursue the development, with the advice and assistance of external expertise, of a suite of best practices to guide the development and content of disease management plans (which, the department notes, are required only when a facility becomes a positive facility or has been epidemiologically connected to a positive facility). The department has been directed by the commission to pursue such an initiative and to present its results to the commission. No changes were made as a result of the comments.

Forty commenters opposed adoption of the rules as proposed and stated that the rules are onerous, overkill, out of control, excessive, government overreach, intrusive, or some other similar descriptive language meant to characterize the department's actions as arbitrary, egregious, and unnecessary. The department notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department nevertheless disagrees with the comments and responds that it has a statutory duty to protect the indigenous deer of the state, which, until now, it has in part discharged via regulations reflecting the involvement and cooperation of TAHC. The withdrawal of TAHC from management activities involving captive and free-ranging populations of indigenous deer necessitates conforming changes to the existing rules, which the rules as adopted accomplish, with minimal substantive alteration. No changes were made as a result of the comments.

Three commenters opposed adoption of the rules as proposed and cited the discovery of CWD at the department's Kerr Wildlife Management Area (WMA) as proof that the rules as proposed are unnecessary. The department disagrees with the comments and responds that the rules, as proposed and adopted, have precisely no relationship with or connection to the administration of the Kerr WMA or disease management efforts at the Kerr WMA. No changes were made as a result of the comments.

Eleven commenters opposed adoption of the rules as proposed and stated that the rules are unconstitutional, a violation of constitutional rights, or an infringement of private property rights. The department disagrees with the comments and responds that the rules as adopted are not violative of any provision of the state or federal constitutions and do not affect private property rights in any way. No changes were made as a result of the comments.

Eighteen commenters opposed adoption of the rules as proposed and expressed doubts concerning the threat or indeed the existence of CWD or CWD prions, claiming the disease has been around forever, isn't fatal, has no effect on deer populations, only affects small portions of the deer population, hasn't caused "die-offs," isn't prevalent, has never killed a deer, cannot be acquired by natural means, is a scam to obtain federal funds, or some other, similar expression of incredulity or disbelief, and that the department's response to CWD is therefore a waste of time and money because it is not warranted or justified. The department disagrees with the comments and responds that although it is true that much remains to be done before CWD is well understood, there is absolutely no scientific debate at all as to whether it is real, transmissible, transmissible independent of human agency, without question invariably fatal once acquired, and can have population level effects if allowed to spread. Further, the department notes that the absence of large-scale die-offs isn't an appropriate metric because CWD can take years to reach a high enough prevalence in free-ranging deer populations for such effects to become observable, at which point it becomes impossible to eradicate. Additionally, there is no fiscal incentive at the state or federal level driving or motivating the department's CWD management efforts. No changes were made as a result of the comments.

Twelve commenters opposed adoption of the rules as proposed and stated that the rules are evidence of department antipathy, bias, or animosity towards deer breeders and indicative of a department desire to eliminate or destroy deer breeding, describing the rules, variously, as discriminatory, bullying, crippling, an attempt to put deer breeders out of business, "punishing" deer breeders, and other unflattering adjectives and phrases with negative connotations meant to indicate a pre-existing, continuing department animus towards deer breeding and deer breeders. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department nevertheless disagrees with the comments and responds that the rules as adopted are not punitive nor do they demonstrate disregard or contempt for the regulated community; rather, they conform existing rules to accommodate the withdrawal of TAHC from management activities involving captive and free-ranging populations of indigenous deer. No changes were made as a result of the comments.

Three commenters opposed adoption of the proposed rules on the basis of the cost of carcass disposal. The department disagrees with the comments and responds that the rules as adopted apply only to deer that die within deer breeding facilities *where CWD is discovered or that have been exposed to CWD* and that in the majority of cases, those carcasses are disposed of by interment *in situ*. The rule as adopted is necessary because disposal of carcasses under these circumstances was until now prescribed by TAHC herd plans and must now be prescribed by department rule. The rule is necessary to eliminate the potential for diseased deer to be disposed by any method other than an approved effective method, and the department believes that the cost of interment or transport to an approved solid waste facility is not onerous. No changes were made as a result of the comments.

Eleven commenters opposed adoption of the rules as proposed and stated the rules as proposed would hurt property values. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department nonetheless disagrees with the comments and responds that the rules as adopted remove references to the TAHC and transfer duties formerly performed by or in conjunction with TAHC completely to the department, in addition to making several clarification-type and administrative changes. The department further responds that there is to the department's knowledge no credible documentation or data to even suggest that any component of the department's CWD management rules affect real property values in any way, and that any adverse impacts of CWD to property values are wholly, totally, and completely a result of the disease itself and not the rules designed to manage it. No changes were made as a result of the comments.

Eight commenters opposed adoption of the rules as proposed and stated that the provision affirming the continued effectiveness of disease management rules on properties subsequent to sale or change in ownership would deprive future landowners of the value or use of the land. The department disagrees with the comments and responds that CWD is by statute a reportable disease and the department's statutory duty to protect native wildlife from disease is independent from and not connected to the landowner. The department further notes that the sale or transfer of real property without disclosure that the property is epidemiologically connected to a reportable disease is an unscrupulous act. No changes were made as a result of the comments.

Thirteen commenters opposed adoption of the rules as proposed and stated that the rules will harm, kill, destroy, or otherwise negatively impact deer hunting, and another 22 commenters stated in various ways that the rules will hurt small businesses, businesses associated with the hunting industry, employment, job creation, the state economy, and local economies, and other general assertions of extreme financial hardship or harm at both micro and macro levels. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not identify opposition to any specific component or provision of the rules actually being deliberated. The department nevertheless disagrees with the comments and responds that such allegations have been repeatedly made over the course of the last twenty years and there is no indication that department rules have resulted in harm to small businesses at the macro level, businesses associated with hunting, employment, job creation, or state and local economies, let alone at the intensity or to the degree predicted by various commenters. The department also notes the existence of a misperception that deer breeders furnish or are responsible for a significant component of the deer population in Texas; in fact, captive-bred deer represent an extremely small percentage (generously estimated at less than four percent) of the total number of deer harvested annually in Texas. No changes were made as a result of the comments.

Sixteen commenters opposed adoption of the rules as proposed and stated that CWD isn't killing deer, the state is. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated; however, the department infers that the subject of the comments is depopulation events conducted at deer breeding facilities within which CWD has been confirmed. The department disagrees with the comments and responds that the rules as proposed and adopted do not contemplate and do not intend to contemplate provisions of existing law regarding procedures governing permittee refusals to cooperate with department efforts to mitigate disease propagation risk at locations where CWD has been confirmed. No changes were made as a result of the comments.

Thirteen commenters opposed adoption of the rules as proposed and stated in various ways that the rules are unsupported by science generally or peer-reviewed science in particular, or that the science upon which the department bases the rules is flawed. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department nonetheless disagrees with the comments and responds that the rules as adopted affect administrative processes and do not implement or affect any measures predicated on or reflecting scientific methodology. No changes were made as a result of the comments.

Two commenters opposed adoption of the rules as proposed and stated that CWD can be bred out of deer. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated; however, the department disagrees with the comments nonetheless and responds that linebreeding to improve disease resistance is common in livestock, but it is nearly impossible with free-ranging wildlife populations because the animals are not domesticated or confined. In any case, the comment is not germane to the rules as proposed or adopted. No changes were made as a result of the comments.

Seven commenters opposed adoption of the rules as proposed and stated that CWD doesn't or cannot harm humans and poses no risk to humans. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department nonetheless disagrees and responds that although there is currently no scientific evidence to indicate that CWD is transmissible to humans, both the CDC and the World Health Organization strongly recommend avoiding consumption of meat from CWD-infected deer. In any case the comment is not germane to the rules as proposed or adopted. No changes were made as a result of the comments.

Six commenters opposed adoption of the rules as proposed and stated or suggested that the department and the commission are engaging in a political agenda. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department disagrees with the comments, however, and responds that such assertions are mistaken at best and untrue in any event; the department's focus is on fulfilling its statutory duty to manage disease in indigenous wildlife. No changes were made as a result of the comments.

The department received 34 comments opposing adoption of the rules as proposed and stating in some form or fashion opposition to depopulation events (the destruction of deer in breeding facilities where CWD has been discovered and the affected permittee refuses to cooperate with the department in instituting a disease management plan). Eighteen of the 34 commenters stated that depopulation events killing thousands of healthy deer achieve nothing. The department again notes that most if not all of the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated; however, the department disagrees with the comments and responds that CWD is an infectious disease that kills 100 percent of the deer that contract it. It cannot be treated and it cannot be eradicated or destroyed. As such, it is without argument a serious threat to free-range populations and an existential threat to captive populations. Other species of farmed animals and livestock are faced with similar threats, such as avian influenza, tuberculosis, and brucellosis, and those producers are required to comply with movement restrictions, quarantines, testing requirements, disposal requirements, permanent identification requirements, and other disease mitigation measures. Such measures protect animal health and productivity and the marketability of products. When such diseases are detected in herds and flocks, those herds and flocks are often killed to prevent disease outbreaks that could have severe impacts on economic activity or human health and safety. Depopulation of facilities where CWD is detected is one of the most effective means of disease mitigation, but the department notes that depopulation is not mandatory and disagrees that the depopulation of CWD positive facilities "achieves nothing," as it is especially critical for CWD management in contexts where such measures can result in effective containment, compared with response options to detections in free-ranging populations. No changes were made as a result of the comments.

Two commenters opposed adoption of the rules as proposed and stated that because public comment was overwhelmingly in opposition to adoption, the rules should therefore not be adopted. The department disagrees with the comments and responds that the regulatory process is not a binding referendum or a popularity contest. The commission often must make decisions that will displease people; nevertheless, the duty to protect and conserve public resources takes precedence. No changes were made as a result of the comments.

Two commenters opposed adoption of the rules as proposed and stated that the department engages in deer breeder permit revocation without due process. The department again notes that the comments seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department disagrees with the comments and responds that the department has never revoked or attempted to revoke a deer breeder's permit and if it were to do so, it would scrupulously follow all applicable legal requirements when engaged in that activity. The department also notes that because breeder deer are the property of the people of the state and not the property of the permittee, there are no due process considerations related to permit denials. No changes were made as a result of the comments.

One commenter opposed adoption of the rules as proposed and stated that all deer should be tested for CWD. The department again notes that the comment seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department disagrees with the comment and responds that any epidemiological value gained by testing all deer in the state for CWD would not be worth the immense financial and logistical obstacles, even if it were physically possible to do so, which it is not. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated that high fences should not be required at release sites. The department again notes that the comment seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department disagrees with the comment and responds that the fencing requirement for release sites is mandated by statute (Parks and Wildlife Code, §43.361). No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated that there should be no CWD testing at release sites. The department again notes that the comment seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department disagrees with the comment and responds the rules currently in effect require CWD testing at release sites only if a deer at the release site is confirmed positive for CWD or if the release site is determined to be epidemiologically connected to a CWD-positive facility. The department has an affirmative statutory duty to prevent the spread of disease, which the regulations currently in effect are intended to accomplish. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated that deer breeders "monitor better and more successfully than TPWD." The department again notes that the comment seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated. The department disagrees with the comment and responds that the rules as adopted do not affect testing requirements. No changes were made as a result of the comment.

One commenter opposed adoption and stated that there should be no more emergency rules. The department neither agrees nor disagrees with the comment and responds that by statute (Parks and Wildlife Code, §12.027), if the commission or the executive director finds that there is an immediate danger to a species authorized to be regulated by the department, or that strict compliance with existing department rules would in any way prevent, hinder, or delay necessary action in coping with a disaster declared by the governor, the commission or the executive director may adopt emergency rules. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated that the rules eliminate notification requirements in proposed §65.91(c) without explanation, which raises procedural and due process concerns. The department disagrees with the comment and responds that the rules as adopted do not eliminate or even alter any notification requirement; instead, the amendment clarifies that when the department receives a CWD test result of "suspect" or "confirmed" for a deer, the facility holding the deer is automatically designated NMQ *at that time*. The wording of the current rule could be interpreted to infer that there is or could be some extended period of time possible between the time the department learns of a "suspect" or "positive" test result, the designation of NMQ status, and department contact with the appropriate party. CWD is one of many diseases (e.g., brucellosis, swine fever, rabies) required to be reported to the state by law (4 TAC §45.2) within 24 hours of discovery. In practice, under current rule, when the department receives notification from an accredited testing laboratory that CWD is present or suspected at a facility, NMQ status (which prevents activation of transfer permits) is immediately imposed in TWIMS to prevent movement of potentially diseased deer, and the appropriate party is then contacted as quickly as possible via phone, and email if the party cannot be reached by phone. In some cases multiple parties are affected and the process takes place as quickly as staff can proceed. That process will not change. The amendment simply reflects the actual chain of events in the order they occur and does not alter any requirement of law or alter any current practice. The department further responds that there are no due-process implications of the rules because the rules do not affect any person's property rights. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated, "by enforcing live tonsil testing requirements and disregarding its own rules, TPWD has spread more CWD than all the breeders combined." The department again notes the comment seemed to be generally directed at the agency's historical rulemaking regarding CWD management prior to this rulemaking and did not provide or identify a rational connection for opposition to any specific component or provision of the rules actually being deliberated; however, the department disagrees with the comment and responds, first, that the department's regulatory recognition and acceptance of live-animal testing occurred *at the repeated urging of the regulated community* at a time when the procedure was still experimental and had not yet been designated by the United States Department of Agriculture as an approved testing methodology; and second, that whatever is meant by "TPWD has spread more CWD than…," the statement is categorically and demonstrably false. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated that the rules as proposed were not urgently necessary and did not provide for any department oversight not available under existing authority. The department disagrees with the comment and responds that the rules were indeed necessary and, in point of fact, needed as soon as practicable, because the withdrawal of TAHC from participation in CWD management efforts affecting wildlife species significantly impacts regulatory provisions, processes, and terminology that reflect joint administrative duties and responsibilities that are now inoperable and must be wholly shouldered by the department, necessitating prompt rulemaking. The department further notes that there is no question as to the department's statutory authority to regulate disease management in native wildlife species - that authority is the basis for the regulations promulgated by the commission and the department cannot grant itself authority to do anything. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated, "during the last session, disease management legislation responding to Texas Animal Health Commission's change was heavily negotiated. It was clear the movement restrictions were intended to remain premise specific [sic]. If the legislation intended to expand TPWD's authority beyond licensed breeding facilities and registered release sites, it would have so, and it did not." The department disagrees with the comment and responds that the 89th Texas Legislature enacted no legislation affecting the department's rulemaking authority with respect to native deer, deer breeding, disease management, or release sites. The department further responds that movement restrictions imposed by the department are indeed premise-specific and will remain so under the rules as adopted, as CWD is by law a reportable disease and the department has a statutory duty to protect indigenous wildlife from disease threats. No changes were made as a result of the comment.

One commenter opposed adoption of the rules as proposed and stated that the commission is not the legislature and cannot make laws. The department disagrees with the comment and responds that the legislature has delegated rulemaking authority to the Parks and Wildlife Commission, and the rules are adopted under that authority and carry the full force and effect of law. No changes were made as a result of the comment.

The department received 14 comments supporting adoption of the rules as proposed.

The Texas Chapter of Backcountry Hunters and Anglers, Texas Chapter of the Wildlife Society, and Texas Deer Association opposed adoption of the rules as proposed.

The Texas Conservation Alliance and Texas Foundation for Conservation supported adoption of the rules as proposed.

SUBCHAPTER B. DISEASE DETECTION AND RESPONSE

DIVISION 1. CHRONIC WASTING DISEASE (CWD)

31 TAC §65.81, §65.88

The amendments are adopted under the authority of Parks and Wildlife Code, Chapter 43, Subchapter C, which requires the commission to adopt rules to govern the collecting, holding, possession, propagation, release, display, or transport of protected wildlife for scientific research, educational display, zoological collection, or rehabilitation; Subchapter E, which requires the commission to adopt rules for the trapping, transporting, and transplanting of game animals and game birds, urban white-tailed deer removal, and trapping and transporting surplus white-tailed deer; Subchapter L, which authorizes the commission to make regulations governing the possession, transfer, purchase, sale, of breeder deer held under the authority of the subchapter; Subchapters R and R-1, which authorize the commission to establish the conditions of a deer management permit for white-tailed and mule deer, respectively; and §61.021, which provides that no person may possess a game animal at any time or in any place except as permitted under a proclamation of the commission.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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James Murphy
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DIVISION 2. CHRONIC WASTING DISEASE - COMPREHENSIVE RULES

31 TAC §§65.90 - 65.92, 65.94, 65.95, 65.97, 65.99, 65.100

The amendments are adopted under the authority of Parks and Wildlife Code, Chapter 43, Subchapter C, which requires the commission to adopt rules to govern the collecting, holding, possession, propagation, release, display, or transport of protected wildlife for scientific research, educational display, zoological collection, or rehabilitation; Subchapter E, which requires the commission to adopt rules for the trapping, transporting, and transplanting of game animals and game birds, urban white-tailed deer removal, and trapping and transporting surplus white-tailed deer; Subchapter L, which authorizes the commission to make regulations governing the possession, transfer, purchase, sale, of breeder deer held under the authority of the subchapter; Subchapters R and R-1, which authorize the commission to establish the conditions of a deer management permit for white-tailed and mule deer, respectively; and §61.021, which provides that no person may possess a game animal at any time or in any place except as permitted under a proclamation of the commission.

§65.95. Movement of Breeder Deer.

(a) General. Except as otherwise provided in this division, a breeding facility may transfer breeder deer under a transfer permit that has been activated and approved by the department to:

(1) another breeding facility as provided in subsection (b) of this section;

(2) an approved release site as provided in subsection (c) of this section; or

(3) a DMP facility (however, deer transferred to DMP facilities cannot be recaptured and must be released as provided in the deer management plan).

(b) Transfer From Breeding Facility to Breeding Facility.

(1) A breeder deer may be transferred from one breeding facility to another breeding facility only if:

(A) an ante-mortem test on rectal or tonsil tissue collected from the deer within the eight months immediately preceding the transfer has been returned with test results of "not detected"; and

(B) the deer is at least six months of age at the time the test sample required by this subsection is collected.

(2) An ante-mortem test result of "not detected" submitted to satisfy the requirements of §65.92(d) of this title (relating to CWD Testing) may be utilized a second time to satisfy the requirements of this subsection, provided the test sample was collected as provided in paragraph (1) of this subsection.

(3) A facility from which deer are transferred in violation of this subsection is automatically NMQ and any further transfers are prohibited until the permittee and the owner of the destination facility have complied with the testing requirements of the department, based on an epidemiological assessment as specified in writing.

(c) Release Facilities; Release of Breeder Deer.

(1) An approved release facility consists solely of the specific tract of land to which deer are released and the acreage is designated as a release facility in TWIMS. A release facility owner may modify the acreage registered as the release facility to recognize changes in acreage (such as the removal of cross-fencing or the purchase of adjoining land), so long as the release facility owner notifies the department of such modifications prior to the acreage modification. The release facility requirements set forth in this division apply to the entire acreage modified under the provisions of this paragraph.

(2) Liberated breeder deer must have complete, unrestricted access to the entirety of the release facility; provided, however, deer may be excluded from areas for safety reasons (such as airstrips) or for the purpose of protecting areas such as crops, orchards, ornamental plants, and lawns from depredation.

(3) All release facility onto which breeder deer are liberated must be surrounded by a fence of at least seven feet in height that is capable of retaining deer at all times under reasonable and ordinary circumstances. The owner of the release facility is responsible for ensuring that the fence and associated infrastructure retain deer under reasonable and ordinary circumstances.

(4) The department will not authorize the liberation of breeder deer at a release facility registered in TWIMS following the effective date of this subsection unless the owner of the release facility submits to the department a letter of endorsement by a person authorized by the department to conduct fence inspections under the provisions of §65.603 of this title (relating to Application and Permit Issuance) stating that the person has personally conducted an on-site inspection at the release facility identified in the application and affirming that the release facility is surrounded by a perimeter fence meeting the requirements of paragraph (3) of this subsection. This paragraph does not apply to release facility that have received deer prior to the effective date of this paragraph. It is an offense for any person the department has authorized as a facility inspector to submit the letter of endorsement required by this paragraph if the person has not personally conducted an onsite inspection at the facility.

(5) No person may intentionally cause or allow any live deer to leave or escape from a release facility onto which breeder deer have been liberated.

(6) The owner of a release facility where deer from a facility subject to the provisions of §65.99 of this title (relating to Breeding Facilities Epidemiologically Connected to Deer Infected with CWD; Positive Deer Breeding Facilities) or deer from a CWD-positive facility have been released shall maintain a harvest log at the release facility that complies with §65.93 of this title (relating to Harvest Log).

(7) No person may transfer a breeder deer to a release facility or cause or allow a breeder deer to be transferred to a release facility unless:

(A) an ante-mortem test on rectal or tonsil tissue collected from the deer within the eight months immediately preceding the release has been returned with test results of "not detected"; and

(B) the deer is at least six months of age at the time the test sample required by this paragraph is collected; and

(C) the deer bears the identification prescribed by Parks and Wildlife Code, §43.3561, and any applicable disease management plan.

(D) A breeder deer that has been released is no longer a breeder deer; however, it is an offense for any person to remove the identification tag required by this section from such deer except as a consequence of reducing the deer to possession following lawful take under a hunting license.

(E) An ante-mortem test result of "not detected" submitted to satisfy the requirements of §65.92(d) of this title may be utilized a second time to satisfy the requirements of this paragraph, provided the test sample was collected as provided in subparagraph (A) of this paragraph.

(F) A facility from which deer are transferred in violation of this paragraph becomes automatically NMQ and any further transfers are prohibited until the permittee and the owner of the release site have complied with the testing requirements of the department, based on an epidemiological assessment as specified in writing.

(d) Trace-out Release Facility.

(1) A release facility is a trace-out release facility if it has received trace deer directly or indirectly from a positive breeding facility, unless the department has determined that the landowner of the release facility has satisfied the requirements of a disease management plan for the property.

(2) The landowner of a trace-out release facility must:

(A) within 60 days of notification by the department that trace-out release status has been confirmed, remove every trace deer at the release facility, either by lawful hunting or as specifically authorized in writing by the department (or both), and submit post-mortem CWD samples for each deer within seven days of mortality; and

(B) submit post-mortem CWD test results for 100 percent of all hunter-harvested deer until the department is confident that CWD is not present at the release facility or as prescribed in a disease management plan.

(3) No breeder deer may be transferred to a trace-out release facility unless the deer has been tagged in one ear with a button-type RFID tag approved by the department.

(4) A change in ownership of a tract of land does not affect the status of the property as a trace-out release facility for the purposes of this subchapter.

(e) The owner of a trace-out release facility that is not in compliance with applicable provisions of this division is ineligible for enrollment or continued participation in the Managed Lands Deer Program under Subchapter A of this chapter.

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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James Murphy
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SUBCHAPTER T. DEER BREEDER PERMITS

31 TAC §65.610

The amendment is adopted under the authority of Parks and Wildlife Code, Chapter 43, Subchapter L, which authorizes the commission to make regulations governing the possession, transfer, purchase, sale, of breeder deer held under the authority of the subchapter.

§65.610. Transfer Permits.

(a) General. No person may possess breeder deer in a trailer or vehicle, or remove or allow removal of breeder deer from a trailer, or accept, introduce, or allow introduction of breeder deer into a permitted facility, unless a valid transfer permit has been activated as provided in this section.

(b) Transfer by deer breeder. In accordance with the provisions of Subchapter B, Division 2, of this chapter (concerning Chronic Wasting Disease - Movement of Deer), the holder of a valid deer breeder's permit may transfer legally possessed breeder deer to:

(1) a facility registered with the department for purposes of veterinary treatment; or

(2) an educational display or zoological facility permitted by the department. A transfer under this paragraph is final; breeder deer transferred to a permitted educational display or zoological facility may not be returned to any breeder facility.

(c) White-tailed deer and mule deer may not be transferred to a facility located in a county for which there is no open season for that species.

(d) The department will not authorize the transfer of breeder deer to a release site if the department has determined that the transfer will detrimentally affect existing populations or systems.

(e) Release.

(1) Breeder deer lawfully transferred to a registered release site may be held in temporary captivity for any period of time from March 1 through the eleventh day immediately preceding an open deer season to acclimate the breeder deer to habitat conditions at the release site; however, such temporary captivity must be specifically authorized in writing by the department. Not later than 11:59 p.m. on the eleventh day immediately preceding an open deer season, all deer being held in temporary captivity under the provisions of this paragraph shall be released. Release shall consist of the removal of at least 20 feet of the components of a pen that serve to maintain deer in a state of detention within the pen; however, no opening shall be less than 10 feet in width. Such components shall be removed for no fewer than 30 consecutive days.

(2) An enclosure used to temporarily detain deer under this paragraph shall be physically separate from any deer breeding facility and the deer being temporarily held shall not be commingled with breeder deer. Deer held in temporary captivity shall not be returned to any deer breeding facility.

(3) The department will not authorize the detention of deer under this paragraph during an open hunting season.

(4) Deer in temporary captivity under the provisions of this paragraph shall not be hunted while in temporary captivity.

(5) It is an offense for any person to:

(A) release, cause, allow, or participate in the release of a breeder deer that does not bear the identification prescribed by Parks and Wildlife Code, §43.3561, and any applicable disease management plan; or

(B) remove the identification tag required by this section from such deer except as a consequence of reducing the deer to possession following lawful take under a hunting license.

(f) Transfer permit.

(1) A transfer permit is valid for 48 consecutive hours from the time of activation.

(2) A transfer permit authorizes the transfer of the breeder deer specifically identified on the transfer permit to one and only one registered facility.

(3) A transport manifest is a written document that specifically identifies the deer in a means of transport at any given time between departure from the source facility identified on the transfer permit and any destination facility identified on the transfer permit. A person in possession of deer during transport under a transfer permit must physically possess a transport manifest under any of the following conditions:

(A) multiple vehicles are employed to transport deer to only one destination identified in a single transfer permit;

(B) a single vehicle is employed for multiple trips to a single destination identified in a single transfer permit; or

(C) a single instance of transport involves stops at multiple destinations.

(4) A transfer permit is activated only by:

(A) utilizing the department's online application; or

(B) notifying the Law Enforcement Communications Center in Austin by phone or email in the event the department's online application is offline or otherwise unavailable to the general public.

(C) It is an offense for any person to transport a deer under a transfer permit unless the person also possesses a confirmation number issued by the department indicating receipt of the notification for that instance of transport.

(5) No person may possess a live breeder deer at any place other than within a permitted facility unless that person also possesses on their person a department-issued transfer permit legibly indicating, at a minimum:

(A) the species, sex, and unique number of each breeder deer in possession;

(B) the facility identification numbers for the source and destination facilities; and

(C) the date and time that the permit was activated.

(6) Not later than 48 hours following the completion of the movement of breeder deer under a transfer permit, the permit shall be completed and submitted to the department.

(7) A deer breeder may transport breeder deer without a transfer permit from a permitted facility to a licensed veterinarian's medical facility for emergency medical treatment, provided:

(A) the transport occurs by the most feasible direct route;

(B) the breeder deer are not removed from the means of transportation at any point from the time of departure from the source facility to the time of return to the source facility, including at the place of treatment; and

(C) the breeder deer do not leave this state.

(D) If a breeder deer is removed from the means of transportation to the medical facility and is temporarily housed in a location that may house other susceptible species, then a transfer permit reflecting that transport must be activated and completed and an additional transfer permit must be activated prior to the deer returning to the deer breeding facility.

(E) An eligible-age deer that is transported to a veterinary medical facility under the provisions of this section and dies at any time before being returned to a breeding facility will be treated as a mortality within the originating facility for the purposes of the requirements of Subchapter B of this chapter.

(g) Marking of vehicles and trailers. No person may possess, transport, or cause the transportation of breeder deer in a trailer or vehicle under the provisions of this subchapter unless the trailer or vehicle exhibits an applicable inscription, as specified in this subsection, on the rear surface of the trailer or vehicle. The inscription shall read from left to right and shall be plainly visible at all times while possessing or transporting breeder deer upon a public roadway. The inscription shall be attached to or painted on the trailer or vehicle in block, capital letters, each of which shall be of no less than six inches in height and three inches in width, in a color that contrasts with the color of the trailer or vehicle. If the person is not a deer breeder, the inscription shall be "TXD". If the person is a deer breeder, the inscription shall be the deer breeder serial number issued to the person.

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 1. CENTRAL ADMINISTRATION

SUBCHAPTER A. PRACTICE AND PROCEDURES

DIVISION 1. PRACTICE AND PROCEDURES

34 TAC §1.12

The Comptroller of Public Accounts adopts amendments to §1.12, concerning position letter, without changes to the proposed text as published in the February 6, 2026, issue of the *Texas Register* (51 TexReg 700). The rule will not be republished. The amendments implement Senate Bill 266, 89th Legislature, 2025 and House Bill 1937, 89th Legislature, 2025, effective May 24, 2025.

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

Subsequent subsections are renumbered accordingly.

The comptroller did not receive any comments regarding adoption of the amendment.

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

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

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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Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
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For further information, please call: (512) 475-2220

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34 TAC §1.22

The Comptroller of Public Accounts adopts amendment to §1.22, concerning discovery, without changes to the proposed text as published in the February 6, 2026, issue of the *Texas Register* (51 TexReg 701). The rule will not be republished. The amendment implements Senate Bill 266, 89th Legislature, 2025 and House Bill 1937, 89th Legislature, 2025, effective May 24, 2025.

Prior to amendment by Senate Bill 266, Tax Code, §111.0041(c) (Records; Burden to Produce and Substantiate Claims), required taxpayers to produce "contemporaneous" records and supporting documentation to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded in an administrative or judicial proceeding. Senate Bill 266 substituted the word "sufficient" for "contemporaneous" in that section. The amendment to §1.22 likewise substitutes "sufficient" for "contemporaneous" in order to conform the rule to the statute.

The comptroller did not receive any comments regarding adoption of the amendment.

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

The amendments implement Tax Code, 111.0041(c)(Records; Burden to Produce and Substantiate Claims).

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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34 TAC §1.26

The Comptroller of Public Accounts adopts amendment to §1.26, concerning burden and standard of proof in contested cases, without changes to the proposed text as published in the February 6, 2026, issue of the *Texas Register* (51 TexReg 702). The rule will not be republished. The amendment implements Senate Bill 266, 89th Legislature, 2025 and House Bill 1937, 89th Legislature, 2025, effective May 24, 2025.

Prior to amendment by Senate Bill 266, Tax Code, §111.0041(c) (Records; Burden to Produce and Substantiate Claims), required taxpayers to produce "contemporaneous" records and supporting documentation to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded in an administrative or judicial proceeding. Senate Bill 266 substituted the word "sufficient" for "contemporaneous" in that section. The amendment to §1.26 likewise substitutes "sufficient" for "contemporaneous" in order to conform the rule to the statute.

The comptroller did not receive any comments regarding adoption of the amendment.

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

The amendments implement Tax Code, 111.0041(c)(Records; Burden to Produce and Substantiate Claims).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 20. STATEWIDE PROCUREMENT AND SUPPORT SERVICES
SUBCHAPTER D. SOCIO-ECONOMIC PROGRAM
DIVISION 1. HISTORICALLY UNDERUTILIZED BUSINESSES

34 TAC §§20.281, 20.282, 20.284, 20.285, 20.288, 20.294 - 20.296, 20.298

The Comptroller of Public Accounts adopts amendments to §20.281, concerning policy and purpose; §20.282, concerning definitions; §20.284, concerning statewide annual HUB utilization goals; §20.285, concerning subcontracts; §20.288, concerning certification process; §20.294, concerning graduation procedures; §20.295, concerning program review; §20.296, concerning HUB coordinator responsibilities; and §20.298, concerning mentor-protégé program, without changes to the proposed text as published in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1563). The rules will not be republished.

ADDRESSING UNCONSTITUTIONAL CLASSIFICATIONS

The term "sex" replaces "gender" throughout the amended rules. This aligns the terminology of the rules with court decisions that have interpreted the Texas and United States Constitutions.

Amended §20.281 restates the purpose of the comptroller's HUB program, which is to promote full and equal opportunities for all businesses in accordance with the equal protection provisions of the Texas and United States Constitutions. Language that referred to remediation of disparities is removed.

Amended §20.282 removes the definition of "disparity study." That term is not used in the amended rules.

Amended §20.282 clarifies that the definition of "economically disadvantaged person" in Government Code, Chapter 2161 must be interpreted in light of the prohibition against race- and sex-based discrimination imposed by Texas Constitution, Article I, Section 3a, and United States Constitution, Amendment XIV.

Amended §20.282 clarifies the definition of "historically underutilized business" so that the term no longer appears within its own definition.

Amended §20.282 revises the definition of "qualifying owner" to eliminate classifications based on race, ethnicity, and gender. Although those classifications appear in Government Code, Chapter 2161, courts have found their use in equivalent contexts to be unconstitutional. See the foregoing "Constitutional Analysis" section of this proposal; see also Texas Attorney General Op. KP-0505 (2026), pp. 26-35 ("Texas's HUB framework erects a pervasive, discriminatory regime that violates the U.S. Constitution's Equal Protection Clause as well as the Texas Constitution's Equal Rights Amendment through indefensible fixation on sex and race.").

Amended §20.284 eliminates statewide quantitative HUB utilization goals. These goals were based on a disparity study that focused on race, ethnicity, and sex-based analysis. Under the revised eligibility criteria, those goals are neither well-supported nor viable. In place of the percentage utilization goals, the amended rule sets a goal of increasing participation, which accords with Government Code, §2161.181. Agencies shall set their own goals for increasing the utilization of HUB businesses based on relevant factors. However, instructions for state agencies to consider the disparity study are removed, in order to avoid the constitutional issues inherent in race, ethnicity, and sex-based classifications. Agencies are instructed to consider businesses that are owned by "qualified owners," because the definition of "qualified owners" in §20.282 no longer includes classifications based on race, ethnicity, and sex.

Amended §20.288 eliminates references to minority business enterprises and women's business enterprises, which are classifications outside the scope of the amended rules. It specifies that the definition of "historically underutilized business" in Government Code, Chapter 2161 must be interpreted in light of the prohibition against race- and sex-based discrimination imposed by Texas Constitution, Article I, Section 3a, and United States Constitution, Amendment XIV.

Amended §20.294 removes a reference to overcoming the effects of discrimination. This reference was unnecessary, and its removal will not affect program implementation. The comptroller will continue to enforce the same size standards in determining eligibility for certification.

Amended §20.295 removes references to the disparity study. It states that the comptroller may determine the need to reassess the HUB rules.

Amended §20.296 specifies that an agency HUB coordinator shall carry out their duties on a race-neutral, ethnicity-neutral, and sex-neutral basis, mindful that the Texas and U.S. Constitutions prohibit discrimination and require equal protection under the law. Because the state and federal constitutions have always applied to state agency employees including HUB coordinators, the added language is merely a reminder.

Amended §20.298 eliminates a reference to the disparity study. Agencies shall implement the Mentor-Protégé program without reference to the disparity study.

STREAMLINING SUBCONTRACTING PLANS

The comptroller revises the term "HUB subcontracting plan" to "subcontracting plan" throughout these amended rules. The definition of "subcontracting plan" is relocated within §20.282 to maintain alphabetical order, and the numbering is adjusted accordingly. "Subcontracting plan" is more appropriate, because there is not a requirement for a vendor to subcontract to a HUB to complete the plan. Vendors are permitted to use any subcontractor, regardless of HUB status, provided that the selection was made in demonstrated good faith in accordance with the rules.

Amended §20.285(b)(1) reiterates that an agency shall require subcontracting plans as part of a solicitation response whenever subcontracting opportunities with HUBs are probable. The HUB rules require agencies to check the comptroller's HUB directory as part of the process of determining whether subcontracting is probable. See §20.285(a). In the HUB directory, HUBs indicate which types of work they perform and which parts of the state they serve. If the directory shows that no HUBs are available for contemplated subcontracts, there is not a probable HUB subcontracting opportunity. The intent of §20.285(b) is for agencies to check that HUBs are available before determining that subcontracting opportunities are probable. The added language provides additional clarity.

Amended §20.285(b)(1) also removes the requirement to include a historically underutilized business utilization goal in a solicitation which requires the respondent to submit a subcontracting plan. The utilization goal was used by respondents to complete the "meeting-or-exceeding-HUB-goal method," which is deleted from the amended rule. Because the percentage utilization goal is no longer useful in completing the subcontracting plan, and because including the goal may mislead a vendor to believe that a minimum amount of subcontracting is required, the amended rule allows an agency to omit such a goal from the solicitation.

Amended §20.285(b)(3) aligns the language of the rule with Government Code, §2161.252(b). Both the amended section and the statute now state that when a state agency requires a subcontracting plan, a bid, proposal, offer, or other applicable expression of interest for the contract must contain a plan to be considered responsive.

Amended §20.285(b)(4) leaves untouched the ability of a state agency to allow respondents to cure minor deficiencies in subcontracting plans. Also untouched is the principle that a state agency may not allow a respondent to cure material deficiencies. However, the amendments revise the description of material deficiencies because respondents are no longer required to contact minority trade organizations, or to provide a statement of how it will self-perform work in the subcontracting plan. That is consistent with other changes in §20.285.

Amended §20.285(d) addresses demonstration of good faith in the development of a subcontracting plan. The amended rule provides that for each part of work that the solicitation identified as a probable subcontracting opportunity and each part of the work that the respondent actually intends to subcontract, the respondent must demonstrate its good faith development of a subcontracting plan by either inviting small business to bid for subcontracts (the "solicitation method") or stating that it does not intend to subcontract (the "self-performing method"). The amended rule simplifies the preparation of a subcontracting plan, making it easier for respondents to comply, and reducing the number of bids or proposals that are nonresponsive under Government Code, §2161.252(b). The amended subsection (d) eliminates two of the four previous methods for completing a good faith effort: the "all-HUB-subcontractors method" in former paragraph (2), and the "meeting-or-exceeding-HUB-goal method" in former paragraph (3). These methods incentivized respondents to select historically underutilized businesses as subcontractors by allowing them to skip the notification steps in the solicitation method. Under the amended rule, there are no such shortcuts. Respondents that intend to subcontract must perform the same steps, regardless of which subcontractors they select. Eliminating the least-used compliance methods will also simplify the subcontracting form, reducing confusion that may result in noncompliance. The remaining paragraphs are renumbered.

Amended paragraph (1) ensures that the requirement to perform outreach to potential subcontractors under the solicitation method is race, ethnic, and sex-neutral. Additionally, outreach to trade organizations or development centers under former subparagraph (B) is no longer required. The Government Code does not require outreach to such organizations, and the comptroller has determined that the costs of such outreach outweigh the benefits. Finally, the minimum number of HUBs to be solicited is reduced from three to two. Because the eligibility requirements for HUB certification are narrower, the comptroller anticipates that the number of HUBs available to subcontract will substantially decrease. It is more reasonable to ask vendors to solicit two qualified HUBs than three.

Amended subparagraph (G) allows a respondent to submit its subcontractor selection justification upon request, rather than requiring it with the response. Under this amended rule, the agency may collect any information it needs to evaluate good faith. However, the amendment eliminates a common way subcontracting plans may be noncompliant. This amended subparagraph also makes explicit that a respondent is not required to select a small business if it determines in good faith that another subcontractor is more suitable.

The self-performing method in renumbered paragraph (2) provides expressly that a respondent is not required to subcontract any portion of any contract. While the rules have never required subcontracting, the comptroller now makes that clear. The amended rule provides that a respondent may use the self-performing method to demonstrate a good faith effort for any subcontracting opportunity by indicating that it intends to fulfill the entire contract, including each subcontracting opportunity, with its own equipment, supplies, materials, and employees. The amended rule allows a respondent to submit its self-performing justification upon request, rather than requiring it with the response. This eliminates another common way subcontracting plans may be noncompliant, while maintaining agencies' ability to assess compliance.

Renumbered paragraph (4) is amended to clarify that a business listed in the HUB directory at the time of the good faith effort is considered a HUB for purposes of evaluating a subcontracting plan, even if the business later graduates or has its HUB status revoked or expired. This is not a change in policy, but the clarification may help with interpretation.

Amended subsection (e) states that a state agency may reject a HUB subcontracting plan that was not developed in good faith or was not completed. This is consistent with Government Code, §2161.282(b), which states that a response that does not include a subcontracting plan is nonresponsive. To address the situation where a subcontracting plan identifies businesses that are no longer HUBs, the amended subsection allows the agency to request a revised subcontracting plan. While agencies have always had discretion to work with contractors to amend subcontracting plans after award (see §20.285(i)), this revision makes it clear that agencies have the same discretion to work with respondents before award.

COMMENTS

The comptroller received comments regarding adoption of the amendment. The comptroller fully considered all comments.

Many comments assert a loss of state contracting opportunities for businesses that are no longer certified as HUBs. However, the only way to obtain a state contract is by demonstrating best value. There is no authority for an agency to award a state contract because the bidder is a HUB, or because a bidder will use HUB subcontractors. Competition for state contracts is open to all businesses, with or without a certification. The contractor that provides the best value should be selected for award, with or without a certification. Businesses should register for the Centralized Master Bidder List and monitor the Electronic State Business Daily to find state contracting opportunities.

A number of comments assert other benefits that are being lost, such as training, assistance, networking, and marketing advantages that HUBs enjoyed. The basis on which benefits were extended to some small businesses while excluding others are unconstitutional.

Similarly, multiple comments requested a disparity study to analyze the continuing need for a HUB program. A disparity study would not negate the constitutional imperative behind these rule changes.

Several comments recommended expanding the program as a way to address these constitutional issues. That suggestion is outside the scope of the proposed rulemaking.

Multiple comments addressed the authority of the comptroller to determine the constitutionality of a statute. Courts have already ruled on similar programs in higher education and the federal government. Narrow tailoring is required to support such a program, and the HUB program does not have it. The comptroller has a duty to uphold the constitution by applying those rulings to the HUB program.

The main points the comptroller identified in individual comments are summarized below. The complete comments may be requested from the comptroller's Open Records Section. The

Comptroller's response to the collective comments are outlined at the end of the description of all the comments.

Adam Schumann of New York, New York, asserted that several of his clients oppose the proposed amendments.

Ann Johnson asserted that the rule changes will take contracts from women of color and give them to others.

Anna Olvera, owner of Alpha Tango LLC in Temple, asserted her business is being directly harmed by the changes, and that prime contractors may not consider small businesses like hers for subcontracting on DIR cooperative contracts in the future, affecting ability to grow revenue and plan for long term stability. She requested that the comptroller consider a path to preserve participation for small businesses already operating in good faith.

Representative Barbara Gervin-Hawkins asserted that HUB certification benefits businesses through education, training, networking, mentorship, and increased visibility in the statewide directory. She asserted that the proposed amendments would worsen existing disparities in state procurement, reduce the number of participants and limit overall competition for bids, impacting the livelihood of employers, employees, and their families across the state.

Beatriz Fernandez of El Paso asserted that the HUB program's subcontracting provisions provide business opportunities for DataXPort.net, LLC; that the company helps lift its employees out of poverty; the company must go to significant effort and expense to market itself without the HUB program; and that loss of HUB status has other impacts on the company.

Betty Manetta asserted that loss of HUB certification affects eligibility for state contract opportunities. All businesses are eligible for state contract opportunities, regardless of HUB status. She asserted that the rules impact the ability of small businesses to compete with larger businesses, and recommended alternatives.

Blake Chavis asserted that Bid Source Technology was impacted by the loss of HUB certification, which helped it win contracts.

Breezi Soward, in oral comments, said her company Ecoimprint has grown to 14 employees and her business was shocked by the decision to change the HUB program. She said her company did things the right way and showed they could deliver quality work and earn the opportunities made possible through participating in the HUB program.

Carol Ford, representing Karen Box, president of the Southwest Minority Supplier Development Council, said in the public hearing that her entity had certified 703 minority and small businesses. She noted the HUB program was established during Governor George W. Bush's term to increase opportunities for business owners. She also noted the program does not guarantee contracts, but that historically underutilized businesses are to be included in the good faith effort when establishing subcontracting plans, and to include them in contract opportunities below certain thresholds.

Cathy Doughtery, sole owner of Dallas-Fort Worth environmental engineering firm Dougherty-Sprague Enterprises, stated her company was very involved in the HUB program under its work for TxDOT and universities. She stated that she loved veteran-owned business and was the daughter of a veteran, and her company had mentored a veteran-owned business; she questioned whether the reduced vendor pool of HUBs has sufficient businesses that can offer the skills from her company's 28 years of experience. She referenced the opportunities provided to her small business because of the extra push to consider HUBs. She suggested that large businesses will be awarded state business which will impact small businesses like hers.

Charyse Rose of Dallas asserted that Computerized Estimating Services is severely impacted by losing HUB certification, which caused it to lose customers. She asserted that the company and others like it contribute significantly through jobs, community involvement, and economic activity. She asserted that excluding such businesses from HUB certification threatens their existence.

Cynthia Ginyard asserted that small business owners will be hurt by the loss of HUB certification.

Cynthia White asserted that the HUB program is about access and opportunity.

David Duncan asserted that the comptroller lacks authority to revise its own rules to administer a program in a constitutional manner. The comptroller's authority for rulemaking is explicitly granted by the legislature in Government Code, §2161.002. Mr. Duncan asserted that a federal judge in *Aerospace Solutions v. Abbott* upheld the constitutionality of the HUB statute in 2025.The statement is incorrect in that the decision in that case did not reach the merits of any constitutional claim. The court dismissed the case on other grounds.

David Hubbard of Houston asserted that DM Electrical and Construction LLC is significantly impacted by the loss of HUB certification, including potential loss of contracts, subcontracts, revenue, and business opportunities, and that the company experienced operational strain that threatens its operations.

David Negrete of Austin asserted that the HUB program has helped talented and qualified minority business enterprises to not be overlooked or excluded by the state and its prime contractors, that making the pool of HUBs smaller will lead primes to rely on existing networks of subcontractors, and that competition will be reduced as a result.

Deidre Norville, owner of Human Potential Consultants, in oral comments, said the removal of HUB certification immediately resulted in removal from active bids exceeding $3 million, disrupting the current business opportunities of the 45-employee Cedar Park business. She said the changes have limited access to opportunities and created uncertainty for her business and employees.

Demetria Bivens asserted that expanding the eligibility of the HUB program would result in opportunities going to businesses other than those for which they were intended.

Donna Hanson of Texas City asserted that without a HUB certification, EVCO Partners LP cannot compete with larger businesses that offer lower prices to the state; she said her company's business structure has had to be refocused and she may need to reduce its 20-person workforce.

Ebbah Realzola, president of MEXZIM Corporation, a Dallas commercial construction business stated the changes materially altered access to public construction markets for small formerly HUB-certified businesses like hers. She said HUB did not guarantee contract awards, but functioned as an access mechanism that allowed small and emerging contractors to build past performance, an essential prerequisite for competing in public construction. Since the changes, she asserted, small contractors report fewer bid invitations, reduced subcontracting opportunities, and higher barriers to entry, while awards increasingly concentrate among larger incumbents with greater scale and pricing power. Ms. Realzola said market concentration over time reduces competition, weakens local contractor capacity, and can increase longâ€‘term costs to taxpayers. She urges the legislature to support raceâ€‘neutral access strategies, such as smaller project packaging, taskâ€‘order contracting, qualification pools, and mentorâ€‘protégé programs, to preserve competition, workforce development, and a resilient construction market.

Edmund Carter Frost asked why the HUB program is being removed.

Franck P. Cushner asserted that without a HUB certification, DBK Health, Inc., cannot compete effectively for contracts with municipalities against much larger, national companies.

Fritz Gartner asserted that the HUB program was a critical pathway to visibility and opportunity for small businesses that employ local residents and reinvest in their communities. He asserted that the rulemaking raises serious legal and constitutional questions, and that such policy changes should occur through legislative action or judicial review.

Gail Joiner asserted that the 20% minimum disability threshold arbitrarily harms the disabled community and a significant part of the veteran population. That threshold is set in Government Code, §2161.001. They asserted that without HUB or VetHUB certification, Joiner Consulting, LLC is now invisible in the state's procurement databases.

Gary Shearod, in oral comments, urged reconsideration of the proposed rules limiting eligibility to service-disabled veteran owned businesses. He asserted that percentage of HUB expenditures of under 12% of total state contracting expenditures shows that success in addressing persistent systematic disparity has not been achieved.

Gloria English asserted that the decertification of businesses that do not meet the VetHUB eligibility criteria is catastrophic, racist, and discriminatory, threatening the progress that was made by the HUB program to correct past injustice.

Grace Taupo of Houston asserted that the HUB program has played a critical role in promoting fairness, expanding access, and addressing longstanding disparities in state contracting. She asserted that the proposed amendments risk reversing that progress.

Heather Jefferson, owner of Heritage Insurance Brokerage in the North Texas area, a minority-owned and women-owned company, asserted the deactivation of her business's HUB certification was unfair and unjust. She asked that the former rules be reinstated.

Hong Zhang Durandal asserted that because Energy Hunters, Inc. lost its HUB certification, marketing opportunities and the credibility associated with it, the company has a diminished ability to compete. He projected that the company will lose revenue in Texas, and asserted that the company will look for growth opportunities in other states.

Igalious Mills of Port Arthur asserted that white women take more advantage of the HUB program, and that certain businesses refuse to take the HUB program into consideration. He requests that quotas for HUB contracts and subcontracts be added to the program, along with other modifications. These recommendations are outside the scope of the proposed amendments.

Ingrid Robinson, president and CEO of the Houston Minority Supplier Diversity Council, said that her organization certified businesses on behalf of the Statewide HUB Program for two decades. She asserted that businesses that lost their HUB certifications are at risk of losing contracts and contract opportunities, and that those impacts affect their subcontractors, employees, and communities. She stated that the HUB program changes should be reverted.

Irma Orozco asserted that because Bilingual Communication Strategies lost its HUB certification, it will be impossible to obtain state contracts in the future. She asserted the HUB program was a support system for minority businesses and that it opened doors with prime contractors.

Jane Parsons, owner of 20-year HUB AA Parsons Pest management, cited the HUB program as allowing her and others to progress in their communities. She asserted the program change has negatively affected her businesses, and that this type of program is needed to energize employment and revenue.

Communicating through an American Sign Language interpreter in the public hearing, Jason Shaw, president of the Texas Deaf Chamber of Commerce, cited a court case (*Mid-America Milling Co. v. U.S. Department of Transportation*) that he said struck down race-based and gender-based presumptions as unconstitutional. This, he asserted, means it is important to use individualized narratives and supporting documentation to show both social and economic disadvantage. Mr. Shaw said evidence is needed to document need and called for the program to be made more generalized to impact more people than the limited group of veterans with disabilities.

Jeff Postell, CEO of Postell Group Drywall in North Texas, in oral comments, stated that in the ten years he has operated his HUB-certified company, his business was built to service the public sector. He stated his focus was being able to work where he was born and raised his family and create economic stimulus in his home state. He asserted that his revenue forecast fell by 23% from the $15 million they were on track to achieve. He stated his company's drywall staff had decreased from 110 people in the second half of 2025 to 42 because of the emergency order. He asserted the emergency rule changes should be reverted.

Jennifer Jacobs of Fort Bend asserted that the HUB program should refund fees that businesses paid to be in the HUB directory. The comptroller has never collected a fee for HUB certification or HUB directory listing. Unfortunately, unscrupulous private parties sometimes pose as a government entity and collect a fee for something that is freely available from the comptroller. If you suspect that you have been targeted by this kind of scam, please contact the comptroller at stop.spoofing@cpa.texas.gov. Ms. Jacobs asserted that contractors found through the Texas SmartBuy system have provided excellent service at affordable rates, and have been properly vetted. No contractor will be removed from Texas SmartBuy as a result of this rule change. The comptroller intends that Texas SmartBuy will continue to provide qualified contractors at affordable rates. Ms. Jacobs asserted that businesses that no longer qualify for HUB certification may continue to be underutilized as a result.

Jessica Scanlon asserted that the HUB program helped small businesses in Texas through subcontracting opportunities, networking, and education.

Karen Gross asserted that prime contractors will not subcontract to businesses that are no longer HUBs, which will threaten their existence. She asserted that the prior Texas disparity study shows a need for the HUB program and that a new disparity study should be conducted. Ms. Gross asserted that state agencies do not use HUB status as a basis to award contracts.

Keith Britton of Dallas asserted that there are continuing challenges for African American owned businesses in state contracting, and that the loss of HUB certification reduces their visibility and opportunities to build valuable business relationships.

Kenecia Oliver of Missouri City asserted that thousands of Texans depend on the HUB program to earn a living, and will be severely impacted if they are no longer eligible.

Kerry Lacsamana of Houston asserted that the proposed rules harm women, people with disabilities, and Texans in general by limiting programs that promote economic independence.

Kimberly Williams asserted that policy changes that restrict the HUB program will undermine decades of progress in levelling the playing field for businesses that contribute to the economy, create jobs, drive innovation, and reflect the diversity that makes Texas strong.

Kristina Williams asserted that restructuring the HUB program into the VetHUB program eliminates a critical mechanism that enabled S&K Ventures, LLC to compete with larger entities. She asserted that the company is among many that invested in structuring their business with an expectation and reliance that the HUB program would continue to provide opportunities. Ms. Williams asserted that the proposed amendments will adversely impact revenue streams, workforce stability, and long-term viability for companies that lose their HUB certification.

La Juana Chambers asserted that the rule amendments impact small business opportunities, access to contracting opportunities, and the small business ecosystem. She asserted that eliminating or weakening the HUB Program removes a pathway that made equitable participation in state contracts possible.

Lamar Davis of Houston asserted that replacing the HUB program with VetHUB would be catastrophic and contradict the value of competition in public procurement.

LULAC Council #22365, represented by Carlos Balderas, asserted that an alternate way to maintain the constitutional integrity of the HUB program would be to extend it to apply to all small businesses meeting certain criteria.

Magdalena Shoemake asserted that the HUB certification allowed small businesses to gain experience that would allow them to qualify for government contracts, and that welcoming in new businesses helps to avoid corruption and favoritism in the award of contracts.

On behalf of the Mexican American Legislative Caucus, Representative Ramon Romero, Jr., Representative Erin E. Gamez, Representative Armando Martinez, Representative Armando Walle, Representative Mary Ann Perez, Representative Raphael Anchia, Representative Diego M. Bernal, Representative Elizabeth Campos, Representative Terry Canales, Representative Lulu Flores, Representative Josie Garcia, Representative Linda Garcia, Representative Cassandra Garcia Hernandez, Representative Jessica Gonzales, Representative Mary E. Gonzales, Representative R.D. Guerra, Representative Ana Hernandez, Representative Venton Jones, Representative Oscar Longoria, Representative Ray Lopez, Representative Trey Martinez Fischer, Representative Terry Meza, Representative Joe Moody, Representative Christina Morales, Representative Eddie Morales, Representative Penny Morales Shaw, Representative Sergion Munoz Jr., Representative Claudia Ordaz, Representative Richard Pena Raymond, Representative Victor Perez, Representative Ana-Maria Rodriguez Ramos, and Representative Gene Wu asserted that the proposed changes exceed the authority of the office of the comptroller and undermine the legislature's intent in enacting the HUB statute. They asserted that the rule changes violate the separation of powers in the Texas Constitution. They asserted that the proposed changes undermine competitiveness, transparency, and the economic health of communities across Texas.

Margo Posey, president and CEO of the Dallas-Fort Worth Business Council (formerly the Dallas Fort Worth Minority Supplier Development Council), provided oral comments. She said the council had certified more than 1,000 minority business entities annually for free since 2002 on behalf of the comptroller's office, and that the emergency rule changes came without warning. She asserted the companies supported by the council have seen existing and prospective revenue put at risk, and considered layoffs or are already downsizing. She said the HUB program has always been a good faith mechanism to provide access and awareness to state contracting opportunities, and was never a handout. She said gutting the pipeline so abruptly has consequences far beyond individual firms and the economic impact of these changes will weaken the small business ecosystem.

Marina Angelica Coryat asserted that the loss of certification has a direct and detrimental impact on Refined Communications, LLC, and thousands of other businesses. She asserted that the HUB program was an essential pathway to visibility and opportunity for small businesses that employ local residents and reinvest in their communities. Ms. Coryat asserted that the rulemaking raises serious legal and constitutional questions, and that such policy changes should instead occur through legislative action or judicial review.

Marj Atkinson asserted HUBs are not taking jobs away from anyone, but are qualified, just small and thus it is difficult for them to compete.

Marissa McKinney of Austin asserted that due to loss of HUB certification, Coleman & Associates has lost work. She asserted that general contractors are shifting work in-house and to larger subcontractors, who may be out of state. Ms. McKinney asserted that without the HUB goals, general contractors have no incentive to use small Texas businesses to complete state contracts.

Melissa Klingbeil Sylvester asserted that because Double First Medical, LLC is no longer certified as a HUB, it has lost contracts with state agencies, is no longer "certified to compete" for contracts with another state agency and has been disqualified from a procurement by a third state agency. She asserted that they have restructured and reduced company operations and may go out of business. She asserted that other states provide better opportunities for similarly situated businesses.

Michael Klein asserted that the loss of HUB certification harms his business and other small businesses by causing them to lose contracts. He asserted that this creates financial strain, jeopardizes jobs, and reduces community investment.

Michael Weinstein asserted that the HUB program prevented his business, which was not eligible for HUB certification, from obtaining state contracts. He encouraged the comptroller to consider a small business program that would not discriminate by race or gender.

Michelle Ray asserted that the HUB program helped her small business gain an opportunity from a state agency at a time when it was struggling. She asserted it benefits HUBs through subcontracting opportunities, networking, and education.

Mindy Sue asserted that the HUB program supports vendors learning how to do business with the state and helps them find opportunities offered by larger vendors seeking subcontractors. Citing her experience as an 18-year HUB coordinator, she stated that the HUB program should only be changed by the legislature and that current data is needed to replace the disparity study last conducted in 2009 to establish how the HUB program should look in the future.

Nate Bobbett of Hewitt asserted that general contractors that set goals for the utilization of HUB firms will find it difficult to meet those goals due to the narrowing of eligibility criteria. He asserted that VetHUB businesses will charge higher prices because of high demand for their participation. Unlike some jurisdictions, Texas has no minimum requirement for subcontracting. Instead of subcontracting with certified VetHUBs at high prices, prime contractors may choose to self-perform or subcontract to other firms. Vendors are selected for contracts based on the best value to the state.

Nathali Parker asserted that the HUB program helps state contract dollars stay in Texas by prompting prime contractors to consider Texas subcontractors. She recommended expanding the program to allow all small, family-owned businesses to participate.

Nydra Ossei-Kissi of Dallas asserted that Turner Consulting & Therapy Services has lost eligibility to pursue certain contracting opportunities because it is no longer HUB certified. Competition for state contracting opportunities is open to all, whether or not they have a VetHUB certification.

Obinna Emukah of Houston asserted that the HUB program creates awareness, open doors, outreach and a fair opportunity to compete. He asserted that excluding businesses from HUB certification makes it harder for them to grow, hire, and participate in the state economy.

Pam Nelson, CEO of Bracane Company in Plano, which was decertified from HUB under the emergency rules, said many small businesses have been cut out of meaningful access to state contracting. She asserted that reducing the qualifying businesses to service-disabled veterans only removes opportunities to compete from other small businesses. She asserted that the reduced pool of eligible businesses appears contrary to the idea that Texas is open for business, and these changes do not support small businesses.

Paula Mendoza, CEO of Possible Missions Inc., a Houston-based company that has been in business for 25 years, stated the removal of HUB certification has jeopardized her current business because current customers are looking for HUB businesses eligible under the changed rules. She stated that as her current contracts expire, she may not be able to continue her business, and asserted that the HUB program had helped level the playing field for firms like hers who hire and retain qualified team members and support community endeavors. She asked the HUB program be kept as it was prior to the rule changes.

Paula Soileau of Houston asserted that the HUB program ensures that the state does not return to "a good old boy system" for state contracts. In Texas, state contract opportunities worth $25,000 or more must be posted on the Electronic State Business Daily. Any company may respond. The award is made to the company that offers best value to the state. Procurement records are public records. Fraud, waste, or abuse in state procurement may be reported to the State Auditor's Office for investigation and potential prosecution.

Priscilla Luna, president of Houston-based Today's Business Solutions, said in the public hearing her minority and women-owned company has partnered with leading manufacturers and wholesalers for over 23 years to support multiple agencies and universities. She said the purchasing power built over time has resulted in competitive pricing, but that history and data show that work ethic, perseverance and passion, are not enough to earn a seat at the table. She said that the HUB program fostered greater competition and increased the likelihood Texas-based businesses would get awards. Ms. Luna asserted the HUB program changes removed critical opportunities for minority and women-owned businesses impacting their ability to compete, contribute to their communities and support families who depend on those businesses. She stated that the changes risk reducing competition and increasing costs for taxpayers and asked for the program changes to be reverted.

Regina Taplow, a business owner, asserted in oral comments the changes were illegal, intentional and malicious and are affecting business owners who are taxpayers and voters. She asked for the rule changes to be reverted.

Ricardo Diaz stated the HUB program was established to provide equal opportunity, which he said is the ability to be considered disregarding race, ethnicity and religion. He said he applauds the government in getting rid of unqualified firms, but he disputes that the Texas HUB program is a diversity, equity and inclusion (DEI) program; it is, he said, and affirmative action program. Mr. Diaz asserted the biggest impact will be the reduction of minority firms being considered for state work, and a reduction of opportunities these firms, which he suggests will reduce the number of minority workers hired. He suggested a full economic impact study be conducted.

Roxanne Perez, owner of DD Services, an electrical contracting company in San Antonio, said in oral comments she has lost approximately $3 million in contracts resulting from the HUB program rule changes. She said the prior program framework created opportunities to partner with schools and universities. She asked for the rule changes to be reconsidered.

Ruth Garcia asserted that state agencies benefit from the HUB program because HUBs cater to their needs by coordinating difficult purchases, reducing administrative burdens, and expediting the delivery of needed goods and services. She asserted that the drastic reduction in HUB eligibility will have significant impacts on state agency procurement.

Collectively, Senators Carol Alvarado, Judith Zaffirini, Juan "Chuy" Hinojosa, Jose Menendez, Borris Miles, Nathan Johnson, Sarah Eckhardt, Roland Gutierrez, Cesar Blanco, and Molly Cook, asserted that the comptroller has a statutory obligation to certify HUBs, that executive orders do not supersede statutes, and that the comptroller may not interpret the constitution. Senator Royce West submitted similar comments independently. The comptroller has a solemn obligation to uphold the Texas Constitution. The suggestion that the comptroller may not consult the constitution and apply it to the situation at hand lacks merit. Moreover, the courts have spoken: race-based programs that lack narrow tailoring are unconstitutional. These rules implement Government Code, Chapter 2161 to the greatest extent permitted by those decisions.

Sheena Thomas asserted that the comptroller lacks legal authority to revise its own rules. She asserted that former HUBs are harmed by their loss of HUB eligibility.

Sherry Williams of Bay City asserted that the HUB program has played a key role in supporting minority- and women-owned businesses, and she would like to see the program continue.

Stacy Savage asserted that the HUB program should be expanded to include the LGBTQIA+ community, and that the state economic systems need diversity, equity, and inclusion.

Staci Beane, of service-disabled veteran-owned business Tekgration LLC, said the HUB program created opportunity and access. She said the program provided a pathway to compete and grow, and helped maintain competition. She stated a diverse and distributed vendor base is critical for supply chain resilience, and that the HUB program is not just about inclusion, it is about smart business, strong competition and responsible stewardship of taxpayer dollars. She suggested that reducing competition will negatively impact the Texas economy by reducing small business participation. Ms. Beane asked that the comptroller give thoughtful consideration of the broader impacts before making any changes to the program.

Susan Franzen, a former HUB owner now working as a prime contractor, said the good faith effort provided pathways to hire talented HUB subcontractors. She said she has watched more than 40 HUB-eligible small businesses get certified, grow and flourish because of the mentor-protege resources. She said the HUB certification did not provide a competitive advantage, it provided access to opportunities, and her company could not have grown without that access.

Susan Raithel asserted that Products Unlimited relies on "HUB-designated contracts or subcontracting opportunities" to maintain its business, which exclusively serves public entities. Government Code, Chapter 2161 does not permit state agencies to designate contracts or subcontracts for HUBs only. State contracts must be awarded to the vendor that provides the best value to the state.

Susan Repka asserted that her clients, small and medium-sized businesses that contract with the government, are reporting layoffs and decreased revenue since the comptroller's emergency rules took effect on December 2nd. She asserted that HUBs go above and beyond what larger businesses are willing to do to serve their government customers. She recommends that the comptroller perform a disparity study to determine the need for a HUB program.

Terry Nifong of Jefferson County asserted that various Texas local government entities and one state agency will not allow her company to subcontract on disaster recovery work because it is no longer a certified HUB. The HUB program set goals, not requirements for subcontracting a percentage of work to HUBs. The VetHUB program does not require subcontracting any percentage of work to VetHUBs. State agencies must award contracts that provide best value to the state. If an agency is instead discriminating based on certification status, an affected vendor may protest the award.

The Texas Association of Mexican American Chambers of Commerce (TAMACC), represented by J.R. Gonzales, submitted oral comments questioning the constitutional authority of the comptroller to change the rules. He referenced the two disparity studies conducted previously under the HUB program and said TAMACC wants to know if any economic impact study was performed by the state prior to changing the program. Mr. Gonzales asserted that these changes require affected businesses to change their way of doing business and suggested that people would be put out of business. He asked if something could be done that was true to the original purpose of addressing disparity to make sure businesses that are well-qualified are not discriminated against.

Tiana Watson asserted that the HUB program provides opportunity, visibility, and the opportunity to build wealth for historically excluded communities.

Tiffany Rattler, founder of Rattler Management Consulting Group, asserted that the HUB program creates a pathway into state procurement for small businesses, which keeps the dollars spent circulating in the state economy. She asserted that HUB opportunities keep small vendors competing for state business, which drives down costs and increases quality of service. Ms. Rattler said Texas has built its reputation on being open for business, not just attracting out-of-state corporations, but sustaining a strong in-state vendor base. She suggested that any changes should prioritize strengthening business readiness and capacity, and that program oversight should determine whether participation translates into long-term business growth. She stated that narrowing the structure risks higher costs, fewer bidders, and reduced economic return to the state.

Trisha Kana, owner of staffing and consulting company 3 PDS, provided oral comments opposing the emergency and proposed rules. She said her business's HUB certification opened the door to work with Texas A&M College of Dentistry, where she sources local talent to support the communities being served free and reduced healthcare by the program through Parkland Hospital. She said the HUB program is not just a contracting vehicle, but a proven economic engine that fosters business growth. She acknowledged veteran-owned businesses deserve recognitions and stated the strength of the HUB program lies in the inclusive framework supporting minority women and other historically underutilized businesses. She asked that the comptroller preserve the scope and original intent of the HUB program.

Virgie Copeland asserted that converting the HUB program to the VetHUB program discriminates against women.

Dr. Zacharias Johnson of Austin expressed support for the VetHUB program and recommended, among other detailed policy proposals, a mandatory 5.0% VetHUB utilization goal across state agencies. A quota of the kind proposed is outside the scope of this rule proposal. The comptroller will provide a copy of Dr. Johnson's proposal to anyone who requests it.

In response to all of these comments, the comptroller declines to make any changes to the rules. The comptroller emphasizes that Texas law requires all contracts to be awarded based on best value. The proposed vendor that provides the best value to the state should be selected for a contract award, irrespective of a HUB or VetHUB certification. These rules amendments do not change that. Businesses should register for the Centralized Master Bidder List and monitor the Electronic State Business Daily to find state contracting opportunities. The goal of the rules amendments is to ensure that all businesses in Texas have an opportunity to compete and demonstrate best value to the state. Ultimately, the comptroller's duty is to uphold the Texas Constitution and the United States Constitution. TEX. CONST.

Art. XVI, §1. These rules implement Government Code, Chapter 2261 to the greatest extent that is consistent with that oath.

AUTHORITY

These amendments are adopted under Government Code, §2161.0012, which authorizes the comptroller to adopt rules to efficiently and effectively administer Government Code, Chapter 2161, and Government Code, §2161.002, which authorizes the comptroller to adopt rules to administer Governments Code, Chapter 2161, Subchapters B and C. These amendments implement Government Code, Chapter 2161, in light of the prohibition against race- and sex-based discrimination imposed by Texas Constitution, Article I, Section 3a, and United States Constitution, Amendment XIV.

These amendments implement Government Code, Chapter 2161.

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 April 22, 2026.

TRD-202601741

Don Neal

General Counsel, Operations and Support Legal Services

Comptroller of Public Accounts

Effective date: May 12, 2026

Proposal publication date: March 13, 2026

For further information, please call: (512) 475-2220

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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

Credit Union Department

Title 7, Part 6

Chapter 91, Subchapter E, concerning Direction of Affairs, consisting of §91.501, (Director Eligibility and Disqualification), §91.502 (Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures), §91.503 (Change in Credit Union President), §91.510 (Bond and Insurance Requirements), §91.515 (Financial Reporting), and §91.516 (Audits and Verifications).

Chapter 91, Subchapter F, concerning Accounts and Services, consisting of §91.601 (Share and Deposit Accounts), §91.602 (Solicitation and Acceptance of Brokered Deposits), §91.608 (Confidentiality of Member Records), and §91.610 (Safe Deposit Box Facilities).

This review will be conducted pursuant to Texas Government Code, §2001.039. The commission believes that the reasons for adopting the rules contained in these chapters continue to exist. The commission will accept written comments received on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register* as to whether the reasons for adopting these rules continue to exist. The commission also invites comments on how to make these rules easier to understand. For example:

Does the rule organize the material to suit your needs? If not, how could the material be better organized?

Does the rule clearly state the requirements? If not, how could the rule be more clearly stated?

Does the rule contain technical language or jargon that is not clear? If so, what language requires clarification?

Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand? If so, what changes to the format would make the rule easier to understand?

Would more (but shorter) sections be better in any of the rules? If so, what sections should be changed?

Each rule will also be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the Credit Union Department.

Any questions or written comments pertaining to this notice should be directed to the Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699, or by email to cudmail@cud.texas.gov. Any proposed amendments as a result of the review will be published in the *Texas Register* in compliance with Texas Government Code, Chapter 2001, and will be open for an additional 31-day public comment period prior to final adoption or repeal by the commission.

TRD-202601798
Robert W. Etheridge
Commissioner
Credit Union Department
Filed: April 27, 2026

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Texas Health and Human Services Commission

Title 26, Part 1

The Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 990, Anatomical Gift

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 990, Anatomical Gift, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or by email to **hhsrulescoordinationoffice@hhs.texas.gov**. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 990" in the subject line. The deadline for comments is on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register.*

The text of the rule sections being reviewed will not be published but may be found in Title 26, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202601743
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: April 23, 2026

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Texas Workforce Commission

Title 40, Part 20

The Texas Workforce Commission (TWC) files this notice of its intent to review Chapter 808, Youth Driver Education Funding Program; Chapter 821, Texas Payday Rules; Chapter 835, Self-Sufficiency Fund; Chapter 849, Employment and Training Services for Dislocated Workers Eligible for Trade Benefits; and Chapter 850, Vocational Rehabilitation Services Administrative Rules and Procedures.

TWC will assess whether the reasons for adopting the rules in Chapter 808, Chapter 821, Chapter 835, Chapter 849, and Chapter 850 continue to exist. Each rule in the chapters will be reviewed to determine whether the rule is obsolete, reflects current legal and policy considerations, and reflects current procedures of TWC.

Comments on the proposed rule reviews may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than June 8, 2026.

TRD-202601830
Les Trobman
General Counsel
Texas Workforce Commission
Filed: April 28, 2026

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Adopted Rule Reviews

Texas Health and Human Services Commission

Title 1, Part 15

The Texas Health and Human Services Commission (HHSC) adopts the review of the chapter below in Title 1, Part 15, of the Texas Administrative Code (TAC):

Chapter 375, Refugee Cash Assistance And Medical Assistance Programs

Notice of the review of this chapter was published in the February 27, 2026, issue of the *Texas Register* (51 TexReg 1311) for public comment.

The 31-day comment period ended March 30, 2026. During this period, HHSC did not receive any comments regarding the proposed rule review.

HHSC has reviewed Chapter 375 in accordance with Texas Government Code §2001.039, which requires state agencies to assess, every four years, whether the initial reasons for adopting a rule continue to exist.

The agency determined that the original reasons for adopting all rules in the chapter continue to exist and readopts Chapter 375. Any amendments, if applicable, to Chapter 375 identified by HHSC in the rule review will be proposed in a future issue of the *Texas Register.*

This concludes HHSC's review of 1 TAC Chapter 375 as required by Texas Government Code §2001.039.

TRD-202601744
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: April 23, 2026

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The Texas Health and Human Services Commission (HHSC) adopts the review of the chapter below in Title 1, Part 15, of the Texas Administrative Code (TAC):

Chapter 376, Refugee Social Services

Notice of the review of this chapter was published in the February 27, 2026, issue of the *Texas Register* (51 TexReg 1311) for public comment.

The 31-day comment period ended March 30, 2026. During this period, HHSC did not receive any comments regarding the proposed rule review.

HHSC has reviewed Chapter 376 in accordance with Texas Government Code §2001.039, which requires state agencies to assess, every four years, whether the initial reasons for adopting a rule continue to exist.

The agency determined that the original reasons for adopting all rules in the chapter continue to exist and readopts Chapter 376. Any amendments, if applicable, to Chapter 376 identified by HHSC in the rule review will be proposed in a future issue of the *Texas Register.*

This concludes HHSC's review of 1 TAC Chapter 376 as required by Texas Government Code §2001.039.

TRD-202601736
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: April 22, 2026

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Texas Higher Education Coordinating Board

Title 19, Part 1

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 4, Subchapter U, Required Degree and Course Planning, §§4.360 - 4.364.

The proposed notice of review was published in the January 16, 2025, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this subchapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections still exist. Sections 4.360 - 4.364 will be repealed and replaced with new §§4.360 - 4.365, which will remain substantively the same but will add language to comply with Senate Bill 3039, 89th Texas Legislature, Regular Session. Sections 4.360 - 4.365 are adopted in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 4, Subchapter U, as required by the Texas Government Code, §2001.039.

TRD-202601755
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 22, Subchapter D, Texas Public Educational Grant and Emergency Tuition, Fees, and Textbook Loan Programs, §§22.61 - 22.66 without changes. Section 22.66 will be amended to include guidelines for determining extreme financial hardship at the October 2026, Board meeting.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 22.61 - 22.66 are readopted in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 22, Subchapter D, as required by the Texas Government Code, §2001.039.

TRD-202601769
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 22, Subchapter T, Texas First Scholarship Program, §§22.550 - 22.556 without changes.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 22.550 - 22.556, are readopted in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 22, Subchapter T, as required by the Texas Government Code, §2001.039.

TRD-202601772
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter A, General Provisions, §§23.1 - 23.3 without changes.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.1 - 23.3 are readopted in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter A, as required by the Texas Government Code, §2001.039.

TRD-202601773
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter C, Physician Education Loan Repayment Assistance Program, §§23.62, 23.66, 23.68, 23.70, and 23.71 without changes, and §23.65, and §23.67, with changes as published concurrently with this notice.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.62, 23.66, 23.68, 23.70, and 23.71 are readopted, and §23.65, and §23.67 are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter C, as required by the Texas Government Code, §2001.039.

TRD-202601775
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter D, Mental Health Professionals Loan Repayment Assistance Program, §§23.93, 23.95, and 23.101 - 23.103, without changes, and §§23.94, 23.96, 23.97, and 23.100, with changes as published concurrently with this notice.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.93, 23.95, and 23.101 - 23.103 are readopted, and §§23.94, 23.96, 23.97, and 23.100 are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter D, as required by the Texas Government Code, §2001.039.

TRD-202601777
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter H, Peace Officer Loan Repayment Assistance Program, §§23.209 - 23.212, 23.215, and 23.216 without changes.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.209 - 23.212, 23.215, and 23.216 are readopted in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter H, as required by the Texas Government Code, §2001.039.

TRD-202601778
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 23, Subchapter K, Nurse Loan Repayment Assistance Program, §§23.300, 23.304, and 23.305, without changes, and §§23.301 - 23.303, with changes as published concurrently with this notice.

The proposed notice of review was published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 291). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 23.300, 23.304, and 23.305, are readopted, and §§23.301 - 23.303, are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 23, Subchapter K, as required by the Texas Government Code, §2001.039.

TRD-202601779
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: April 23, 2026

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Texas Health and Human Services Commission

Title 26, Part 1

The Texas Health and Human Services Commission (HHSC) adopts the review of the chapter below in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 263, Home and Community-Based Services (HCS) Program and Community First Choice (CFC)

Notice of the review of this chapter was published in the February 20, 2026, issue of the *Texas Register* (51 TexReg 1175). HHSC received no comments concerning this chapter.

HHSC has reviewed Chapter 263 in accordance with Texas Government Code §2001.039, which requires state agencies to assess, every four years, whether the initial reasons for adopting a rule continue to exist.

The agency determined that the original reasons for adopting all rules in the chapter continue to exist and readopts Chapter 263. Any amendments, if applicable, to Chapter 263 identified by HHSC in the rule review will be proposed in a future issue of the *Texas Register.*

This concludes HHSC's review of 26 TAC Chapter 263 as required by Texas Government Code §2001.039.

TRD-202601796
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: April 27, 2026

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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.

Office of the Attorney General

Texas Health and Safety Code and Texas Water Code Settlement Notice

The State of Texas gives notice of the following proposed resolution of an environmental enforcement action under the Texas Health and Safety Code, Texas Water Code, and Texas Administrative Code. Before the State may enter into a voluntary settlement agreement, pursuant to section 7.110 of the Texas Water Code, the State shall permit the public to comment in writing. The Attorney General will consider any written comments and may withdraw or withhold consent to the proposed agreement if the comments disclose facts or considerations indicating that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the law.

Case Title and Court: *Harris County, Texas, and the State of Texas, a Necessary and Indispensable Party v. Texcon Ready Mix, Inc., US Readymix Inc., and Texas Concrete Enterprise, LLC*; Cause No. 2024-01367, in the 11th District Court of Harris County, Texas.

Background: Defendant Texcon Ready Mix, Inc. ("Texcon Ready Mix") operates a concrete batch plant located at 3315 Carr Street, Houston, Texas 77026 (the "Facility"). The Facility operates under Texas Commission on Environmental Quality ("TCEQ") air and water permits. Over the course of multiple investigations conducted from October 6, 2020, to July 18, 2023, Harris County Pollution Control Services documented permit violations at the Facility. Texcon Ready Mix was the TCEQ air permit holder until May 19, 2024, when the permit was transferred to US Readymix, Inc. (US Readymix"). The permit was then transferred to Texas Concrete Enterprise, LLC ("Texas Concrete Enterprise") on June 9, 2024. On January 9, 2024, Harris County, Texas filed suit against Texcon Ready Mix for violations of the Texas Health and Safety Code, Texas Water Code, TCEQ rules, and TCEQ permits. The State of Texas, acting on behalf of the TCEQ, joined the lawsuit as a necessary and indispensable party. On December 10, 2024, Harris County named US Readymix, Inc. and Texas Concrete Enterprise, LLC as additional defendants in the lawsuit. The State, Harris County, US Readymix, and Texas Concrete Enterprise have reached an agreement to resolve the pending claims against US Readymix and Texas Concrete Enterprise.

Proposed Settlement: The State, Harris County, US Readymix, and Texas Concrete Enterprise propose an Agreed Judgment that awards the State and Harris County the following monetary judgments against US Readymix and Texas Concrete Enterprise, jointly and severally: $12,000.00 in civil penalties, to be divided equally between the State and Harris County, and $3,000.00 in attorney's fees, to be divided equally between the State and Harris County.

For a complete description of the proposed settlement, the Agreed Judgment should be reviewed in its entirety. Requests for copies of the proposed judgment and settlement, and written comments on the same, should be directed to Shelby Thompson, Assistant Attorney General, Office of the Texas Attorney General, P. O. Box 12548, MC-066, Austin, Texas 78711-2548, (512) 463-2012, facsimile (512) 320-0911, email: Shelby.Thompson@oag.texas.gov. Written comments must be received within 30 days of publication of this notice to be considered.

TRD-202601819
Justin Gordon
General Counsel
Office of the Attorney General
Filed: April 27, 2026

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Office of Consumer Credit Commissioner

Notice of Rate Ceilings

The Consumer Credit Commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in §303.003, and §303.009, Texas Finance Code.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 05/04/26 - 05/10/26 is 18.00% for consumer[1] credit.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 05/04/26 - 05/10/26 is 18.00% for commercial[2] credit.

[1] Credit for personal, family, or household use.

[2] Credit for business, commercial, investment, or other similar purpose.

TRD-202601832
Leslie L. Pettijohn
Commissioner
Office of Consumer Credit Commissioner
Filed: April 29, 2026

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Texas Education Agency

Request for Alternative Beginning of Year (BOY) and Middle of Year (MOY) Assessments

Filing Authority. Texas Education Code, §39.023

Description. The Texas Education Agency (TEA) invites publishers and local educational agencies to submit Beginning of Year (BOY) and Middle of Year (MOY) Assessment instruments for review and consideration for inclusion on the upcoming Commissioner's List of Approved Alternative BOY and MOY Assessments under Texas Education Code (TEC), §39.023(q). Instruments may be submitted for one or more of the following assessed grades and contents: (1) Grades 3-8 Math & Reading/Language Arts, Algebra I, English I; (2) Grades 3-5 Spanish Reading/Language Arts; (3) Grade 5 & Grade 8 Science, Biology; and (4) Grade 8 Social Studies, United States History.

The final list of approved instruments is expected to be published in September 2026 to support statewide implementation for the 2027-2028 school year. Instruments selected for the commissioner's list may remain approved for up to two school years, subject to continued compliance with TEA criteria and commissioner discretion.

TEC, §39.023(q), authorizes TEA to approve a list of alternative BOY and MOY assessments instruments for the 2027-2029 Commissioner's List of Approved Alternative BOY and MOY Assessments. Under TEC, §39.023(a), each school district and open-enrollment charter school not using the state's Student Success Tool BOY and MOY assessments must administer a BOY and MOY assessment from the 2027-2029 Commissioner's List of Approved Alternative BOY and MOY Assessments in alignment with the administration schedule outlined in TEC, §39.02301(i).

Eligible Applicants. Eligible applicants include publishers and local educational agencies. Applicants are responsible for submitting the instruments they wish to have reviewed for possible inclusion on the 2027-2029 Commissioner's List of Approved Alternative BOY and MOY Assessments.

Selection Criteria. Detailed selection criteria and required technical specifications are included in the Request for Alternative BOY and MOY Assessments Packet, available on the TEA Request for Alternative BOY and MOY Assessments webpage at https://tea.texas.gov/student-assessment/student-assessment-overview/call-for-house-bill-8-hb8-alternative-boy-moy-assessment-instruments. TEA reserves the right not to approve any instrument submitted in response to this request.

Informational Webinars. TEA will host a live webinar on Tuesday, May 12, 2026, from 11:00 a.m.-12:00 p.m. CST. Registration is available at https://us02web.zoom.us/j/87575621257. The webinar is open to all prospective applicants and will provide an overview of the Request for Alternative BOY and MOY Assessments and its requirements. Attendance is optional and not required for application submission.

Application. The full Request for Alternative BOY and MOY Assessments, including application materials, forms, and detailed instructions, will be available on the TEA Request for Alternative BOY and MOY Assessments webpage at https://tea.texas.gov/student-assessment/student-assessment-overview/call-for-house-bill-8-hb8-alternative-boy-moy-assessment-instruments. Applicants must review all materials thoroughly to ensure they understand requirements, timelines, submission procedures, and evaluation criteria. Applications must be submitted electronically via the form submission on the TEA Request for Alternative BOY and MOY Assessments webpage.

Further Information. To ensure all prospective applicants have equal access to information, questions must be submitted in writing through the following survey: https://app.smartsheet.com/b/form/019db1a316 16755da27ffbf88ec74a88. Questions must be submitted no later than 12:00 p.m. (noon) CST on May 15, 2026. All questions and TEA's written responses will be posted publicly on the TEA Request for Alternative BOY and MOY Assessments webpage as Frequently Asked Questions (FAQs) by May 22, 2026.

Deadline for Receipt of Applications. Completed applications must be submitted electronically via the form submission on the TEA Request for Alternative BOY and MOY Assessments webpage at https://tea.texas.gov/student-assessment/student-assessment-overview/call-for-house-bill-8-hb8-alternative-boy-moy-assessment-instruments no later than 11:59 p.m. CST on June 5, 2026. Late submissions will not be accepted. All applications must include submitting agency name, primary contact name, primary contact email address, and primary contact phone number.

The designated primary contact must be available to respond promptly to reviewer inquiries; delayed responses may result in an incomplete review and disqualification.

Issued in Austin, Texas, on April 29, 2026.

TRD-202601835

Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Filed: April 29, 2026

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Texas Commission on Environmental Quality

Agreed Orders

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) staff is providing an opportunity for written public comment on the listed Agreed Orders (AOs) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075 requires that before the commission may approve the AOs, the commission shall allow the public an opportunity to submit written comments on the proposed AOs. TWC, §7.075 requires that notice of the proposed orders and the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **June 9, 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 **June 9, 2026**. Written comments may also be sent to the enforcement coordinator by email to ENFCOMNT@tceq.texas.gov or by facsimile machine at (512) 239-2550. The commission enforcement coordinators are available to discuss the AOs and/or the comment procedure at the listed contact information; however, TWC, §7.075 provides that comments on the AOs shall be submitted to the commission in writing.

(1) COMPANY: 7-Eleven, Inc.; DOCKET NUMBER: 2023-1678-PST-E; IDENTIFIER: RN111296729; LOCATION: Austin, Travis County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: $21,776; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(2) COMPANY: ACOUSTIC CLEAN, INC.; DOCKET NUMBER: 2025-1592-DCL-E; IDENTIFIER: RN100696319; LOCATION: Arlington, Tarrant County; TYPE OF FACILITY: dry cleaning facility; PENALTY: $938; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(3) COMPANY: ALMEDA FUELS LLC; DOCKET NUMBER: 2025-1105-PST-E; IDENTIFIER: RN101206183; LOCATION: Hous-

ton, Harris County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: $11,215; ENFORCEMENT COORDINATOR: Bryce Huck, (512) 239-4655; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(4) COMPANY: Altman Specialty Plants, LLC; DOCKET NUMBER: 2025-1747-WQ-E; IDENTIFIER: RN112086327; LOCATION: Troup, Cherokee County; TYPE OF FACILITY: nursery; PENALTY: $3,750; ENFORCEMENT COORDINATOR: Monica Larina, (512) 239-2545; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(5) COMPANY: Aqua Texas, Inc.; DOCKET NUMBER: 2025-1012-MWD-E; IDENTIFIER: RN106871973; LOCATION: Tomball, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $30,812; ENFORCEMENT COORDINATOR: Kolby Farren, (512) 239-2098; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(6) COMPANY: Buckeye Texas Processing LLC; DOCKET NUMBER: 2024-1807-IWD-E; IDENTIFIER: RN106620438; LOCATION: Corpus Christi, Nueces County; TYPE OF FACILITY: petroleum refining facility; PENALTY: $91,235; ENFORCEMENT COORDINATOR: Elizabeth Vanderwerken, (512) 239-5900; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(7) COMPANY: Caliche Now, LLC; DOCKET NUMBER: 2025-1576-AIR-E; IDENTIFIER: RN112270095; LOCATION: Midland, Midland County; TYPE OF FACILITY: portable rock crusher facility; PENALTY: $7,500; ENFORCEMENT COORDINATOR: Rajesh Acharya, (512) 239-0577; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(8) COMPANY: City of Beasley; DOCKET NUMBER: 2025-1864-MWD-E; IDENTIFIER: RN101721595; LOCATION: Beasley, Fort Bend County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $5,600; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(9) COMPANY: City of Colleyville; DOCKET NUMBER: 2025-1663-WQ-E; IDENTIFIER: RN101410736; LOCATION: Colleyville, Tarrant County; TYPE OF FACILITY: sanitary sewer collection system; PENALTY: $8,125; ENFORCEMENT COORDINATOR: Amy Lane, (512) 239-2614; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(10) COMPANY: City of Hackberry; DOCKET NUMBER: 2024-0647-MWD-E; IDENTIFIER: RN102077054; LOCATION: Hackberry, Denton County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $46,250; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $46,250; ENFORCEMENT COORDINATOR: Elizabeth Vanderwerken, (512) 239-5900; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(11) COMPANY: City of Marshall; DOCKET NUMBER: 2022-0681-MWD-E; IDENTIFIER: RN101701902; LOCATION: Marshall, Harrison County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $41,250; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $33,000; ENFORCEMENT COORDINATOR: Derek Osborn, (512) 239-0353; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(12) COMPANY: City of San Marcos; DOCKET NUMBER: 2024-1538-MWD-E; IDENTIFIER: RN100838648; LOCATION: San Marcos, Hays County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $90,000; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $72,000; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(13) COMPANY: Colt Gathering (North Texas) L.P.; DOCKET NUMBER: 2026-0026-AIR-E; IDENTIFIER: RN102614914; LOCATION: Palo Pinto, Palo Pinto County; TYPE OF FACILITY: natural gas compressor station; PENALTY: $4,063; ENFORCEMENT COORDINATOR: Christina Ferrara, (512) 239-5081; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(14) COMPANY: Covenant Health System; DOCKET NUMBER: 2025-1694-AIR-E; IDENTIFIER: RN112288899; LOCATION: Lubbock, Lubbock County; TYPE OF FACILITY: ambulance service; PENALTY: $3,375; ENFORCEMENT COORDINATOR: Morgan Kopcho, (512) 239-4167; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(15) COMPANY: Croell, Inc.; DOCKET NUMBER: 2025-1902-AIR-E; IDENTIFIER: RN112194030; LOCATION: Clyde, Callahan County; TYPE OF FACILITY: concrete batch plant; PENALTY: $1,875; ENFORCEMENT COORDINATOR: Michael Wilkins, (325) 698-6134; REGIONAL OFFICE: 1977 Industrial Boulevard, Abilene, Texas 79602-7833, REGION 3 - ABILENE.

(16) COMPANY: Geenia, Inc.; DOCKET NUMBER: 2026-0167-PST-E; IDENTIFIER: RN101434108; LOCATION: Atascosa, Bexar County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: $7,875; ENFORCEMENT COORDINATOR: Bryce Huck, (512) 239-4655; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(17) COMPANY: Gulf Coast Authority; DOCKET NUMBER: 2023-0769-MWD-E; IDENTIFIER: RN102183340; LOCATION: Friendswood, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $28,250; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $28,250; ENFORCEMENT COORDINATOR: Casey Cobb, (512) 239-0351; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(18) COMPANY: H Ayana Enterprise Inc; DOCKET NUMBER: 2025-1063-PST-E; IDENTIFIER: RN101650885; LOCATION: Midlothian, Ellis County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: $44,606; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(19) COMPANY: Harris County Municipal Utility District 530; DOCKET NUMBER: 2025-1767-MWD-E; IDENTIFIER: RN106850118; LOCATION: Spring, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $6,375; ENFORCEMENT COORDINATOR: Kolby Farren, (512) 239-2098; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(20) COMPANY: Highline Warren, LLC; DOCKET NUMBER: 2023-1794-IHW-E; IDENTIFIER: RN111504163; LOCATION: Dallas, Dallas County; TYPE OF FACILITY: chemical manufacturing facility; PENALTY: $29,500; ENFORCEMENT COORDINATOR: Katie Phillips, (713) 767-3628; REGIONAL OFFICE: 5425 Polk

Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(21) COMPANY: INEOS Americas LLC; DOCKET NUMBER: 2025-1899-AIR-E; IDENTIFIER: RN100213958; LOCATION: Pasadena, Harris County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $11,361; ENFORCEMENT COORDINATOR: John Burkett, (512) 239-4169; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(22) COMPANY: John Beckham and Lana G. Beckham; DOCKET NUMBER: 2025-0155-OSS-E; IDENTIFIER: RN104284427; LOCATION: Fate, Rockwall County; TYPE OF FACILITY: on-site sewage facility; PENALTY: $262; ENFORCEMENT COORDINATOR: Harley Hobson, (512) 239-1337; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(23) COMPANY: Linde Inc.; DOCKET NUMBER: 2025-0655-IWD-E; IDENTIFIER: RN102146446; LOCATION: La Porte, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $6,300; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $2,520; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(24) COMPANY: Lisanti Foodservice of Texas, Inc.; DOCKET NUMBER: 2024-1983-PST-E; IDENTIFIER: RN109349613; LOCATION: Flower Mound, Denton County; TYPE OF FACILITY: fleet refueling facility; PENALTY: $16,108; ENFORCEMENT COORDINATOR: Eresha DeSilva, (713) 767-3669; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(25) COMPANY: LyondellBasell Acetyls, LLC; DOCKET NUMBER: 2025-0206-AIR-E; IDENTIFIER: RN100224450; LOCATION: La Porte, Harris County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $14,400; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(26) COMPANY: M.P.G. Pipeline Contractors, LLC; DOCKET NUMBER: 2025-1807-AIR-E; IDENTIFIER: RN112078803; LOCATION: Waller, Waller County; TYPE OF FACILITY: pipe laydown yard; PENALTY: $10,125; ENFORCEMENT COORDINATOR: Desmond Martin, (512) 239-2814; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(27) COMPANY: Manville Water Supply Corporation; DOCKET NUMBER: 2026-0055-PWS-E; IDENTIFIER: RN101271088; LOCATION: Coupland, Travis County; TYPE OF FACILITY: public water supply; PENALTY: $5,250; ENFORCEMENT COORDINATOR: Deshaune Blake, (210) 403-4033; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(28) COMPANY: Montgomery County Municipal Utility District No. 105; DOCKET NUMBER: 2025-1706-MWD-E; IDENTIFIER: RN104510227; LOCATION: Spring, Montgomery County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $4,688; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $3,751; ENFORCEMENT COORDINATOR: Monica Larina, (512) 239-2545; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(29) COMPANY: Natgasoline LLC; DOCKET NUMBER: 2025-0480-AIR-E; IDENTIFIER: RN106586795; LOCATION: Beaumont, Jefferson County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $57,521; ENFORCEMENT COORDINATOR: Raven Daigle, (713) 767-3634; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(30) COMPANY: North Texas Municipal Water District; DOCKET NUMBER: 2024-1609-MWD-E; IDENTIFIER: RN102342144; LOCATION: Plano, Collin County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $114,400; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $91,520; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(31) COMPANY: Olmos Park Chevron, Inc.; DOCKET NUMBER: 2024-1955-PST-E; IDENTIFIER: RN102125309; LOCATION: San Antonio, Bexar County; TYPE OF FACILITY: automobile repair shop; PENALTY: $2,625; ENFORCEMENT COORDINATOR: Bryce Huck, (512) 239-4655; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(32) COMPANY: Owens-Brockway Glass Container Inc.; DOCKET NUMBER: 2025-1854-AIR-E; IDENTIFIER: RN100216969; LOCATION: Waco, McLennan County; TYPE OF FACILITY: glass manufacturing plant; PENALTY: $5,000; ENFORCEMENT COORDINATOR: Trenton White, (903) 535-5155; REGIONAL OFFICE: 2916 Teague Drive, Tyler, Texas 75701-3734, REGION 5 - TYLER.

(33) COMPANY: PIA CAPITAL, LLC and Central Texas Stone and Aggregate, LLC; DOCKET NUMBER: 2025-1672-EAQ-E; IDENTIFIER: RN108303371; LOCATION: Georgetown, Williamson County; TYPE OF FACILITY: aggregate production operation; PENALTY: $5,250; ENFORCEMENT COORDINATOR: Taylor Williamson, (512) 239-2097; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(34) COMPANY: Paradise Independent School District; DOCKET NUMBER: 2025-0983-MWD-E; IDENTIFIER: RN101519387; LOCATION: Paradise, Wise County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $10,875; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $8,700; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(35) COMPANY: Pasadena Refining System, Inc.; DOCKET NUMBER: 2025-1228-AIR-E; IDENTIFIER: RN100716661; LOCATION: Pasadena, Harris County; TYPE OF FACILITY: petroleum refinery; PENALTY: $22,519; ENFORCEMENT COORDINATOR: Christina Ferrara, (512) 239-5081; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(36) COMPANY: Phillips 66 Company; DOCKET NUMBER: 2025-1122-AIR-E; IDENTIFIER: RN102495884; LOCATION: Borger, Hutchinson County; TYPE OF FACILITY: petroleum refinery; PENALTY: $36,900; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $14,760; ENFORCEMENT COORDINATOR: Krystina Sepulveda, (956) 430-6045; REGIONAL OFFICE: 1804 West Jefferson Avenue, Harlingen, Texas 78550-5247, REGION 15 - HARLINGEN.

(37) COMPANY: Pilot Thomas Logistics LLC; DOCKET NUMBER: 2025-0274-PST-E; IDENTIFIER: RN102243185; LOCATION: Midland, Midland County; TYPE OF FACILITY: fleet refueling center; PENALTY: $57,273; ENFORCEMENT COORDINATOR: Stephanie McCurley, (512) 239-2607; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(38) COMPANY: Resolute Natural Resources Company, LLC; DOCKET NUMBER: 2026-0270-AIR-E; IDENTIFIER:

RN109761254; LOCATION: Orla, Reeves County; TYPE OF FACILITY: oil and gas extraction site; PENALTY: $6,250; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(39) COMPANY: S - Yb Construction LLC; DOCKET NUMBER: 2025-1634-AIR-E; IDENTIFIER: RN112266564; LOCATION: Lamesa, Dawson County; TYPE OF FACILITY: portable rock crusher facility; PENALTY: $1,625; ENFORCEMENT COORDINATOR: Michael Wilkins, (325) 698-6134; REGIONAL OFFICE: 1977 Industrial Boulevard, Abilene, Texas 79602-7833, REGION 3 - ABILENE.

(40) COMPANY: SR Square Enterprises LLC; DOCKET NUMBER: 2024-1316-PST-E; IDENTIFIER: RN101761336; LOCATION: Diboll, Angelina County; TYPE OF FACILITY: operator; PENALTY: $2,625; ENFORCEMENT COORDINATOR: Rachel Murray, (903) 535-5149; REGIONAL OFFICE: 2916 Teague Drive, Tyler, Texas 75701-3734, REGION 5 - TYLER.

(41) COMPANY: Sabine River Authority of Texas; DOCKET NUMBER: 2024-0717-MWD-E; IDENTIFIER: RN103014973; LOCATION: Quinlan, Hunt County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $10.500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $8,400; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(42) COMPANY: Stolthaven Houston, Inc.; DOCKET NUMBER: 2025-1334-IWD-E; IDENTIFIER: RN100210475; LOCATION: Houston, Harris County; TYPE OF FACILITY: centralized waste treatment and bulk liquid storage facility; PENALTY: $50,000; ENFORCEMENT COORDINATOR: Madison Crawford, (512) 239-4603; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(43) COMPANY: Stolthaven Houston, Inc.; DOCKET NUMBER: 2025-1347-AIR-E; IDENTIFIER: RN100210475; LOCATION: Houston, Harris County; TYPE OF FACILITY: transfer and storage facility; PENALTY: $10,438; ENFORCEMENT COORDINATOR: John Burkett, (512) 239-4169; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(44) COMPANY: Tidwell Wastewater Utility, L.L.C.; DOCKET NUMBER: 2025-1711-MWD-E; IDENTIFIER: RN103218996; LOCATION: Houston, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $1,325; ENFORCEMENT COORDINATOR: Monica Larina, (512) 239-2545; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(45) COMPANY: Town of Shady Shores; DOCKET NUMBER: 2025-0954-WQ-E; IDENTIFIER: RN105881262; LOCATION: Shady Shores, Denton County; TYPE OF FACILITY: municipal separate storm sewer system; PENALTY: $4,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $3,600; ENFORCEMENT COORDINATOR: Cynthia Sidoa, (713) 767-3525; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(46) COMPANY: URI, Inc.; DOCKET NUMBER: 2025-1471-WDW-E; IDENTIFIER: RN102380763; LOCATION: Kingsville, Kleberg County; TYPE OF FACILITY: uranium processing facility; PENALTY: $17,183; ENFORCEMENT COORDINATOR: Stephanie McCurley, (512) 239-2607; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(47) COMPANY: Undine Wholesale Supply, LLC; DOCKET NUMBER: 2024-1048-PWS-E; IDENTIFIER: RN101258499; LOCATION: Port Lavaca, Calhoun County; TYPE OF FACILITY: public water supply; PENALTY: $2,800; ENFORCEMENT COORDINATOR: Wyatt Throm, (512) 239-1120; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(48) COMPANY: Valero Energy Partners LP; DOCKET NUMBER: 2026-0151-AIR-E; IDENTIFIER: RN109734897; LOCATION: Corpus Christi, Nueces County; TYPE OF FACILITY: petroleum refinery; PENALTY: $4,900; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $1,960; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(49) COMPANY: W & R Corporation; DOCKET NUMBER: 2022-0502-PST-E; IDENTIFIER: RN101872711; LOCATION: Cooper, Delta County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: $3,375; ENFORCEMENT COORDINATOR: Celicia Garza, (210) 657-8422; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

TRD-202601820
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Enforcement Orders

An agreed order was adopted regarding STAR HOUSTON, INC. dba Star Motor Cars, Docket No. 2022-1558-PST-E on April 28, 2026 assessing $7,815 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Jun Zhang, 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 A & S MEMORIAL INVESTMENT, INC. dba Fast & Easy, Docket No. 2023-0887-PST-E on April 28, 2026 assessing $5,610 in administrative penalties with $1,122 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 Alamo City Storm Soccer Club, Docket No. 2024-0312-EAQ-E on April 28, 2026 assessing $9,000 in administrative penalties with $1,800 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 RK Hall, LLC, Docket No. 2024-1021-AIR-E on April 28, 2026 assessing $7,500 in administrative penalties with $1,500 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 T. GRAY ELECTRIC CO., INC., Docket No. 2024-1311-AIR-E on April 28, 2026 assessing $2,375 in administrative penalties with $475 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 Texas Department of Transportation, Docket No. 2024-1568-OSS-E on April 28, 2026 assessing $1,000 in administrative penalties with $200 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 Texas Department of Transportation, Docket No. 2024-1569-OSS-E on April 28, 2026 assessing $1,000 in administrative penalties with $200 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 Atlas Operating LLC, Docket No. 2024-1951-AIR-E on April 28, 2026 assessing $4,875 in administrative penalties with $975 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 Hellas Construction Inc, Docket No. 2025-0014-WQ-E on April 28, 2026 assessing $9,914 in administrative penalties with $1,982 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 Randy Pilkington, Docket No. 2025-0149-SLG-E on April 28, 2026 assessing $3,937 in administrative penalties. 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 the Town of Anthony, Docket No. 2025-0866-PWS-E on April 28, 2026 assessing $6,065 in administrative penalties with $3,953 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 Live Oak Environmental, LLC dba Piney Woods Sanitation, Docket No. 2025-0950-MSW-E on April 28, 2026 assessing $675 in administrative penalties with $135 deferred. Information concerning any aspect of this order may be obtained by contacting Eunice Adegelu, 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. 2025-1003-PWS-E on April 28, 2026 assessing $1,775 in administrative penalties with $355 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Texline, Docket No. 2025-1006-PWS-E on April 28, 2026 assessing $3,250 in administrative penalties with $2,650 deferred. Information concerning any aspect of this order may be obtained by contacting Anjali Talpallikar, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Colorado County Water Control and Improvement District 2, Docket No. 2025-1102-PWS-E on April 28, 2026 assessing $3,210 in administrative penalties with $642 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 Kenneth H. Hoffmann, Docket No. 2025-1127-WQ-E on April 28, 2026 assessing $7,522 in administrative penalties with $1,504 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 Hassey Investment and Consulting L.L.C., Docket No. 2025-1136-PWS-E on April 28, 2026 assessing $1,040 in administrative penalties with $208 deferred. Information concerning any aspect of this order may be obtained by contacting Anjali Talpallikar, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Youth With A Mission, Docket No. 2025-1137-PWS-E on April 28, 2026 assessing $5,057 in administrative penalties with $1,011 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 Terra Verde Utility Company, LLC, Docket No. 2025-1248-PWS-E on April 28, 2026 assessing $3,025 in administrative penalties with $605 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 Hidalgo County Drainage District 1, Docket No. 2025-1308-WQ-E on April 28, 2026 assessing $4,500 in administrative penalties with $900 deferred. Information concerning any aspect of this order 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.

An agreed order was adopted regarding Three Community Water Supply Corporation, Docket No. 2025-1324-PWS-E on April 28, 2026 assessing $1,410 in administrative penalties with $282 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 ETC North Permian Midstream LLC, Docket No. 2025-1349-AIR-E on April 28, 2026 assessing $3,850 in administrative penalties with $770 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 the City of Yorktown, Docket No. 2025-1393-PWS-E on April 28, 2026 assessing $2,750 in administrative penalties with $550 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.

A field citation was adopted regarding Bill L. Dover Company, Inc., Docket No. 2025-1436-PST-E on April 28, 2026 assessing $2,625 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Adriana Fuentes, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding CRYSTAL SPRINGS WATER CO., INC., Docket No. 2025-1491-PWS-E on April 28, 2026 assessing $1,114 in administrative penalties with $222 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Gregory, Docket No. 2025-1501-MWD-E on April 28, 2026 assessing $8,625 in administrative penalties with $1,725 deferred. Information concerning any aspect of this order may be obtained by contacting Madison Crawford, 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 Cameron, Docket No. 2025-1516-MWD-E on April 28, 2026 assessing $10,875 in administrative penalties with $2,175 deferred. Information concerning any aspect of this order may be obtained by contacting Elizabeth Vanderwerken, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Santo Special Utility District, Docket No. 2025-1518-PWS-E on April 28, 2026 assessing $367 in administrative penalties with $73 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 Tejas Rodeo Company, Docket No. 2025-1603-PWS-E on April 28, 2026 assessing $1,000 in administrative penalties with $200 deferred. Information concerning any aspect of this order may be obtained by contacting Ilia Perez-Ramirez, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

A field citation was adopted regarding Williams, Jarvis A, Docket No. 2025-1664-WOC-E on April 28, 2026 assessing $175 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Ryan Fukawa, 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 Cruz, Alejandro, Docket No. 2026-0178-OSI-E on April 28, 2026 assessing $175 in administrative penalties. Information concerning any aspect of this citation may be obtained by contacting Adriana Fuentes, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

TRD-202601839
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: April 29, 2026

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Notice of Adoption of Best Management Practices for Certain Operational Issues at Aggregate Production Operations

The Texas Commission on Environmental Quality (TCEQ) has adopted and published on its website a list of general Best Management Practices (BMPs) for certain operational issues at Aggregate Production Operations (APOs). These operational issues include those related to dust control, water use, and water storage.

TCEQ has statutory jurisdiction to regulate aspects of APO operations in the State of Texas, and it does so through several different programs, permits, and regulations. By publishing a list of APO BMPs, TCEQ provides helpful recommendations for addressing common operational issues within the agency's jurisdiction, and it helps explain when TCEQ requirements may apply.

This adoption of APO BMPs follows TCEQ having proposed a list of BMPs and solicited feedback from the public about the proposal. The proposal was made available for review and announced in the December 20, 2024 issue of the *Texas Register* (49 TexReg 10418). TCEQ reviewed the feedback received and made edits to the BMP information where useful and appropriate.

The adopted list of general APO BMPs can be found on TCEQ's public website at: https://www.tceq.texas.gov/assistance/industry/aggregate-production/best-management-practices.

For further information about the adopted list of general APO BMPs, please contact Jess Robinson at jess.robinson@tceq.texas.gov.

TRD-202601822
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Notice of Correction to Agreed Order Number 22

In the April 17, 2026, issue of the *Texas Register* (51 TexReg 2521), the Texas Commission on Environmental Quality (commission) published notice of Agreed Orders, specifically Item Number 22, for KM Liquids Terminals LLC; Docket Number 2024-0007-IWD-E. The error is as submitted by the commission.

The reference to the Docket Number should be corrected to read: "2025-0007-IWD-E."

For questions concerning these errors, please contact Michael Parrish at (512) 239-2548.

TRD-202601821
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Notice of District Petition - D-03232026-037

Notice issued April 28, 2026

TCEQ Internal Control No. D-03232026-037: Amy Allen Meyer, Trustee of the Amy Allen Meyer GST Trust, Dated August 9, 2009, Amy Allen Meyer, an individual, Tom W. Allen, III, Trustee of the Tom W. Allen GST Trust, Dated August 9, 2009, and Tom W. Allen, III, an individual, (Petitioners) filed a petition for creation of Preston 540 Ranch Municipal Utility District of Grayson County (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 539.637 acres located within Grayson County, Texas; and (4) none of the land within the proposed District is within the corporate limits or extraterritorial jurisdiction any city. The petition further states that the proposed District will: (1) purchase, construct, acquire, improve, or extend inside or outside of its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary or helpful to supply and distribute water for municipal, domestic, and commercial purposes; (2) collect, transport, process, dispose of and control domestic, and commercial wastes; (3) gather, conduct, divert, abate, amend and control local storm water or other local harmful excesses of water in the District; (4) design, acquire, construct, finance, improve, operate, and maintain macadamized, graveled, or paved roads and turnpikes, or improvements in aid of those roads; and (5) purchase, construct, acquire, improve, or extend inside or outside of its boundaries such additional facilities, systems, plants, and enterprises as shall be consonant with the purposes for which the District is created. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioners that the cost of said project will be approximately $220,796,500.85.

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-202601829
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Notice of District Petition - D-04012026-002

Notice issued April 23, 2026 TCEQ Internal Control No. D-04012026-002: Bender's Creek LTD, a Texas limited partnership, by and through its general partner, C.I.L. Holdings LLC, a Texas limited liability company, (Petitioner) filed a petition for creation of Harris County Municipal Utility District No. 585 (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there are no lienholders on the property to be included in the proposed District; (3) the proposed District will contain approximately 117.896 acres located within Harris County, Texas; and (4) all of the land within the proposed District is wholly within the corporate limits of the City of Houston, Texas. By Ordinance No. 2024-749, passed and adopted on October 2, 2024, the City of Houston, 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, improve, extend, maintain, and operate a waterworks and sanitary sewer system for residential and commercial purposes; (2) purchase, 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, extend, maintain, and operate such additional facilities, including roads, parks and recreation facilities, systems, plants, and enterprises as shall be consonant 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 $42,840,000 ($26,400,000 for water, wastewater, and drainage plus $5,390,000 for recreation plus $11,050,000 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-202601828
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Notice of Opportunity to Comment on a Default 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 Default Order (DO). The commission staff proposes a DO when the staff has sent the Executive Director's Preliminary Report and Petition (EDPRP) to an entity outlining the alleged violations; the proposed penalty; the proposed technical requirements necessary to bring the entity back into compliance; and the entity fails to request a hearing on the matter within 20 days of its receipt of the EDPRP or requests a hearing and fails to participate at the hearing. Similar to the procedure followed with respect to Agreed Orders entered into by the executive director of the commission, in accordance with Texas Water Code (TWC), §7.075, this notice of the proposed order and the opportunity to comment is 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 **June 9, 2026**. The commission will consider any written comments received, and the commission may withdraw or withhold approval of a DO if a comment discloses facts or considerations that indicate that consent to the proposed DO 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 DO is not required to be published if those changes are made in response to written comments.

A copy of the proposed DO 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 DO 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 DO's identifying information, such as its docket number. Written comments about the DO should be sent to the attorney designated for the DO 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 June 9, 2026**. The commission's attorney is available to discuss the DO and/or the comment procedure at the listed phone number; however, TWC, §7.075, provides that comments on the DO shall be submitted to the commission in **writing**.

(1) COMPANY: Bodhi Partners, LLC; DOCKET NUMBER: 2023-1237-PWS-E; TCEQ ID NUMBER: RN101653723; LOCATION: 8611 New Laredo Highway, San Antonio, Bexar County; TYPE OF FACILITY: a public water system; PENALTY: $12,000; STAFF ATTORNEY: Casey Kurnath, Litigation, MC 175, (512) 239-5932; REGIONAL OFFICE: San Antonio Regional Office, 14250 Judson Road, San Antonio, Texas 78233-4480, (210) 490-3096.

TRD-202601824
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: April 28, 2026

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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 AOs, 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 **June 9, 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 June 9, 2026**. The designated attorney is 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: UMBARGER COMMUNITY WATER SUPPLY CORPORATION; DOCKET NUMBER: 2022-1521-PWS-E; TCEQ ID NUMBER: RN101451268; LOCATION: 25701 Adkisson Road near Canyon, Randall County; TYPE OF FACILITY: a public water system; PENALTY: $1,500; STAFF ATTORNEY: Mihir Kulkarni, Litigation, MC 175, (512) 239-6224; REGIONAL OFFICE: Amarillo Regional Office, 3918 Canyon Drive, Amarillo, Texas 79109-4933, (806) 353-9251.

TRD-202601823
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Notice of Water Quality Application - Minor Amendment WQ0011405001

The following notice was issued on April 22, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

The Texas Commission on Environmental Quality has initiated a minor amendment of the Texas Pollutant Discharge Elimination System Permit No. WQ0011405001 issued to City of Kosse, P.O. Box 116, Kosse, Texas 76653, to correct the biochemical oxygen demand (5-day) single grab value on Page 2 of the existing permit from 35 mg/l to 100 mg/l. The existing permit authorizes the discharge of treated domestic wastewater at a daily average flow not to exceed 40,000 gallons per day. The facility is located approximately 1,650 feet northeast of the intersection of West Filmore Street and the Union Pacific Railroad, in the City of Kosse, Limestone County, Texas 76653.

TRD-202601826
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Notice of Water Quality Application - Minor Amendment WQ0014757001

The following notice was issued on April 23, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

Fort Bend County Municipal Utility District No. 5 has applied for a minor amendment to the Texas Pollutant Discharge Elimination System Permit No. WQ0014757001, to authorize an increase in the Interim II phase flow from 0.75 MGD to 0.95 MGD. The existing permit authorizes the discharge of treated domestic wastewater at an annual average flow not to exceed 2,000,000 gallons per day. The facility is located at 6502 ½ Texas State Highway 36, in Fort Bend County, Texas 77471.

TRD-202601827
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Update to the Water Quality Management Plan (WQMP)

The Texas Commission on Environmental Quality (TCEQ or commission) requests comments from the public on the draft April 2026 Update to the WQMP for the State of Texas.

Download the draft April 2026 WQMP Update at *https://www.tceq.texas.gov/permitting/wqmp/WQmanagement_updates.html* or view a printed copy at the TCEQ Library, Building A, 12100 Park 35 Circle, Austin, Texas.

The WQMP is developed and promulgated in accordance with the requirements of the federal Clean Water Act, Section 208. The draft update includes projected effluent limits of specific treated domestic wastewater dischargers, which may be useful for planning in future permit actions. The draft update may also contain service area populations for listed wastewater treatment facilities, designated management agency information, and total maximum daily load (TMDL) revisions.

Once the commission certifies a WQMP update, it is submitted to the United States Environmental Protection Agency (EPA) for approval. For some Texas Pollutant Discharge Elimination System (TPDES) permits, the EPA's approval of a corresponding WQMP update is a necessary precondition to TPDES permit issuance by the commission.

Deadline

All comments must be received at the TCEQ no later than **5:00 p.m. on June 9, 2026.**

How to Submit Comments

Comments must be submitted in writing to:

Gregg Easley Texas Commission on Environmental Quality Water Quality Division, MC 148 P.O. Box 13087 Austin, Texas 78711-3087

Comments may also be faxed to (512) 239-4430 ***or*** emailed to Gregg Easley at *Gregg.Easley@tceq.texas.gov* but must be followed up with written comments by mail within five working days of the fax or email date or by the comment deadline, whichever is sooner.

For further information, or questions, please contact Mr. Easley at (512) 239-4539 or by email at *Gregg.Easley@tceq.texas.gov.*

TRD-202601825
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: April 28, 2026

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Texas Health and Human Services Commission

Notice of Public Hearing on Proposed Payment Rate Actions for the Comprehensive Rehabilitation Services (CRS) Program and the STAR Kids/STAR Health Prescribed Pediatric Extended Care Center (PPECC), Effective September 1, 2026

Hearing. The Texas Health and Human Services Commission (HHSC) will conduct a public hearing to receive public comments on the proposed payment rate actions for the Comprehensive Rehabilitation Services (CRS) Program and the STAR Kids/STAR Health Prescribed Pediatric Extended Care Center (PPECC) on May 26, 2026, at 9:00 a.m. CDT.

This hearing will be conducted both in-person and online. To join the hearing from your computer, tablet, or smartphone, register for the hearing in advance using the following registration URL:

https://register.gotowebinar.com/register/5703367378165398613.

After registering, you will receive a confirmation email containing information about joining the webinar. Instructions for dialing in by phone will be provided via email after you complete registration.

Members of the public may attend the rate hearing in person, which will be held in the North Austin Complex Building, Public Hearing Room 1.401 at 4601 W. Guadalupe St., Austin, Texas 78751. A recording of the hearing will be archived and accessible on demand at https://hhs.texas.gov/about-hhs/communications-events/live-archived-meetings under the "Archived" tab. The hearing will be held in compliance with Texas Human Resources Code section 32.0282, which requires public notice of and hearings on proposed Medicaid reimbursements.

Any updates to the hearing details will be posted on the HHSC website at https://www.hhs.texas.gov/about/meetings-events.

Proposal. HHSC proposes payment rate actions for the CRS Program, Home Delivered Meals (HDM), and STAR Kids/STAR Health PPECC program. The proposed rates will be effective September 1, 2026.

Methodology and Justification. HHSC proposes payment rate actions and revisions to the rate methodology resulting from the Provider Finance Department (PFD) LTSS Biennial Fee Review (BFR) process, which requires staff to review all reimbursement rates at least every two years.

The proposed STAR Kids/STAR Health PPECC payment rate was calculated in accordance with 1 Texas Administrative Code Section 355.9080.

The proposed CRS payment rate was calculated in accordance with Title 1 of the 1 Texas Administrative Code Section 355.9040.

Rate Hearing Packet. A briefing packet describing the proposed payment rates will be made available no later than May 12, 2026, at https://pfd.hhs.texas.gov/rate-packets. Interested parties may obtain a copy of the briefing packet on or after that date by contacting Provider Finance by phone at (512) 730-7401, by fax at (512) 730-7475, or by email at PFD-LTSS@hhs.texas.gov.

Written Comments. Written comments regarding the proposed payment rates may be submitted instead of oral testimony until 5:00 p.m. on the day of the hearing. Written comments may be sent by U.S. mail to the Texas Health and Human Services Commission, Attention: Provider Finance, Mail Code H-400, P.O. Box 149030, Austin, Texas 78714-9030; by fax to Provider Finance at (512) 730-7475; or by email to PFD-LTSS@hhs.texas.gov. In addition, written comments may be sent by overnight mail to Texas Health and Human Services Commission, Attention: Provider Finance, Mail Code H-400, North Austin Complex, 4601 W. Guadalupe St., Austin, Texas 78751.

Preferred Communication. For the quickest response, please use email or phone to communicate with HHSC regarding this rate hearing.

Persons who wish to participate in the hearing and require auxiliary aids or services should call PFD at (512) 730-7401 at least 72 hours before the hearing so appropriate arrangements can be made.

TRD-202601801
Karen Ray
Chief Counsel
Texas Health and Human Services Commission
Filed: April 27, 2026

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Texas Department of Insurance

Company Licensing

Application to do business in the state of Texas for ICW National Insurance Company, a foreign fire and/or casualty company. The home office is in San Diego, California.

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-202601739
Justin Beam
Chief Clerk
Texas Department of Insurance
Filed: April 22, 2026

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Company Licensing

Application to do business in the state of Texas for Sentry Direct Insurance Company, a foreign fire and/or casualty company. The home office is in Stevens Point, Wisconsin.

Application to do business in the state of Texas for Atlantic Charter Insurance Company, a foreign fire and/or casualty company. The home office is in Boston, Massachusetts.

Application for Family Service Life Insurance Company, a foreign life, accident and/or health company, to change its name to The Guardian Life Insurance Workforce Solutions Company. The home office is in New York, New York.

Application for incorporation in the state of Texas for Latitude Reciprocal Exchange, a domestic reciprocal. The home office is in Austin, 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-202601833
Justin Beam
Chief Clerk
Texas Department of Insurance
Filed: April 29, 2026

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Texas Automobile Insurance Plan Association - Notice of Rate Filing

Description:

On April 22, 2026, the Texas Automobile Insurance Plan Association (TAIPA) filed a request to charge new insurance rates for private passenger auto and commercial auto coverage. The filed rates represent a 2.8% increase in private passenger automobile rates and a 4.9% increase in commercial automobile rates. TAIPA proposed an effective date of November 1, 2026, for new and renewal business.

The commissioner of insurance will review the filing to determine whether TAIPA's proposed rates are just, reasonable, adequate, not excessive, not confiscatory, and not unfairly discriminatory for the risks covered, as required by Insurance Code §2151.201. TAIPA's proposed rates must also be sufficient to carry all claims to maturity and meet the expenses incurred in writing and servicing the business.

TAIPA's average proposed rate changes by coverage do not exceed 5%, so a hearing is not required by Insurance Code §2151.2041.

In accordance with Insurance Code §2151.2022(c), the commissioner has extended the period by which the filing must be approved or disapproved by 30 days. The filing must be approved or disapproved no later than June 21, 2026.

To Review or Request Copies:

Online: Go to www.tdi.texas.gov/rules/2026/exrules.html

In person: To schedule a time to review the materials in person, please email ChiefClerk@tdi.texas.gov. The Texas Department of Insurance is located in the Barbara Jordan State Office Building, 1601 Congress Ave, Austin, Texas 78701.

By mail: Write to the Texas Department of Insurance, Office of the Chief Clerk, MC: GC-CCO, P.O. Box 12030, Austin, Texas 78711-2030.

To Comment:

Send written comments by email to ChiefClerk@tdi.texas.gov or by mail to the Texas Department of Insurance, Office of the Chief Clerk, MC: GC-CCO, P.O. Box 12030, Austin, Texas 78711-2030.

Hand-delivered comments must be directed to the Texas Department of Insurance, Office of the Chief Clerk, 1601 Congress Ave., Austin, Texas 78701, and can be delivered during regular business hours. Your comments must be received by 5:00 p.m., central time, on June 8, 2026.

TRD-202601834
Jessica Barta
General Counsel
Texas Department of Insurance
Filed: April 29, 2026

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Texas Department of Licensing and Regulation

Scratch Ticket Game Number 2743 "SUPER LOTERIA"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2743 is "SUPER LOTERIA". The play style is "row/column/diagonal".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2743 shall be $5.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2743.

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, BLUEBONNET SYMBOL, BOAR SYMBOL, CACTUS SYMBOL, CHERRIES SYMBOL, CHILE PEPPER SYMBOL, CORN SYMBOL, COVERED WAGON SYMBOL, COWBOY SYMBOL, COWBOY HAT SYMBOL, FIRE 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, RATTLESNAKE SYMBOL, ROADRUNNER SYMBOL, SADDLE SYMBOL, SHOES SYMBOL, SPEAR SYMBOL, SPUR SYMBOL, STRAWBERRY SYMBOL, SUNSET SYMBOL, WHEEL SYMBOL, WINDMILL SYMBOL, $5.00, $10.00, $15.00, $20.00, $50.00, $100, $200, $500, $5,000 and $100,000.

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. 2743 - 1.2D

PLAY SYMBOL	CAPTION
ARMADILLO SYMBOL	ARMADILLO
BAT SYMBOL	BAT
BLUEBONNET SYMBOL	BLUEBONNET
BOAR SYMBOL	BOAR
CACTUS SYMBOL	CACTUS
CHERRIES SYMBOL	CHERRIES
CHILE PEPPER SYMBOL	CHILE PEPPER
CORN SYMBOL	CORN
COVERED WAGON SYMBOL	COVERED WAGON
COWBOY SYMBOL	COWBOY
COWBOY HAT SYMBOL	COWBOY HAT
FIRE SYMBOL	FIRE
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

RATTLESNAKE SYMBOL	RATTLESNAKE
ROADRUNNER SYMBOL	ROADRUNNER
SADDLE SYMBOL	SADDLE
SHOES SYMBOL	SHOES
SPEAR SYMBOL	SPEAR
SPUR SYMBOL	SPUR
STRAWBERRY SYMBOL	STRAWBERRY
SUNSET SYMBOL	SUNSET
WHEEL SYMBOL	WHEEL
WINDMILL SYMBOL	WINDMILL
$5.00	FIV$
$10.00	TEN$
$15.00	FFN$
$20.00	TWY$
$50.00	FFTY$
$100	ONHN
$200	TOHN
$500	FVHN
$5,000	FVTH
$100,000	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 (2743), 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: 2743-0000001-001.

H. Pack - A Pack of the "SUPER LOTERIA" Scratch Ticket Game contains 075 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). The Packs will alternate from Pack to Pack. Fanfold A: Ticket front 001 will be on the top Ticket and 075 back will be on the last page. Fanfold B: Ticket back 001 will be on the top and Ticket front 075 will be on the last page.

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 "SUPER LOTERIA" Scratch Ticket Game No. 2743.

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 fifty-two (52) Play Symbols. A prize winner in the "SUPER LOTERIA" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose Play Symbols as follows: PLAYBOARD: 1) The player completely scratches the CALLER'S CARD area to reveal 21 symbols. 2) The player scratches ONLY the symbols on the PLAYBOARD that exactly match the symbols revealed on the CALLER'S CARD. 3) If the player reveals a complete row, column or diagonal line, the player wins the prize for that line. BONUS GAMES: 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 4 symbols in the same GAME, the player wins the PRIZE for that GAME. TABLA DE JUEGO: 1) El jugador raspa completamente la CARTA DEL GRITÓN para revelar 21 símbolos. 2) El jugador SOLAMENTE raspa los símbolos en la TABLA 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, el jugador gana el premio para esa línea. JUEGOS DE BONO: El jugador SOLAMENTE raspa los símbolos de los JUEGOS DE BONO que son exactamente iguales a los símbolos revelados en la CARTA DEL GRITÓN. Si el jugador revela 4 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 fifty-two (52) 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 fifty-two (52) 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 fifty-two (52) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the fifty-two (52) 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 six (6) 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. GENERAL: There will be no identical Play Symbols in the CALLER'S CARD/CARTA DEL GRITÓN play area.

D. PLAYBOARD/TABLA DE JUEGO: At least eight (8), but no more than twelve (12), CALLER'S CARD/CARTA DEL GRITÓN Play Symbols will match a symbol on the PLAYBOARD/TABLA DE JUEGO play area on a Ticket.

E. PLAYBOARD/TABLA DE JUEGO: No identical Play Symbols are allowed on the PLAYBOARD/TABLA DE JUEGO play area.

F. BONUS GAMES/JUEGOS DE BONO: Every BONUS GAMES/JUEGOS 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 "SUPER LOTERIA" Scratch Ticket Game prize of $5.00, $10.00, $15.00, $20.00, $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 $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 "SUPER LOTERIA" Scratch Ticket Game prize of $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 "SUPER 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, 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 "SUPER 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 "SUPER 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 60,000,000 Scratch Tickets in Scratch Ticket Game No. 2743. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2743 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$5.00	7,200,000	8.33
$10.00	6,000,000	10.00
$15.00	800,000	75.00
$20.00	800,000	75.00
$50.00	800,000	75.00
$100	250,500	239.52
$200	41,000	1,463.41
$500	6,000	10,000.00
$5,000	150	400,000.00
$100,000	30	2,000,000.00

*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 3.77. 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. 2743 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. 2743, 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-202601836
Deanne Rienstra
General Counsel Lottery and Charitable Bingo
Texas Department of Licensing and Regulation
Filed: April 29, 2026

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Public Utility Commission of Texas

Notice of Application for Recovery of Universal Service Funding

Notice is given to the public of an application filed with the Public Utility Commission of Texas (Commission) on April 24, 2026, for recovery of universal service funding under Public Utility Regulatory Act (PURA) §56.025 and 16 Texas Administrative Code (TAC) §26.406.

Docket Style and Number: Application of La Ward Telephone Exchange, Inc. to Recover Funds from the Texas Universal Service Fund Under PURA §56.025 and 16 TAC §26.406, Docket Number 59701.

The Application: La Ward Telephone seeks recovery of funds from the Texas Universal Service Fund (TUSF) as a result of Texas Department of Transportation issuing a policy, rule or order, the effect of which increased costs of the intrastate jurisdiction. La Ward Telephone requests that the Commission allow recovery of funds from the TUSF in the amount of $128,285.89 to replace the intrastate cost of relocating fiber optic cable as required by the Department of Transportation's two Notices of Required Accommodation.

Persons wishing to intervene or comment on the action sought should contact the Commission by mail at P.O. Box 13326, Austin, Texas 78711-3326, or by phone at (512) 936-7120 or toll-free at (888) 782-8477. Hearing and speech-impaired individuals with text telephone (TTY) may contact the commission through Relay Texas by dialing 7-1-1. A deadline for intervention in this proceeding will be established. All comments should reference Docket Number 59701.

TRD-202601817

Andrea Gonzalez
Rules Coordinator
Public Utility Commission of Texas
Filed: April 27, 2026

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Red River Authority of Texas

2026 General Specifications-Depository RFQ

Notice is herby given that the governing body of the Red River Authority of Texas, subject to the provisions of Section 23 of Article 8280-228 of the revised Civil Statutes of Texas, will receive proposals from any interested state or federal banking institution in Wichita Falls, Texas to servs as primary depository of Red River Authority of Texas and maintain custody of its funds for a period of three years from **October 1, 2026 through September 30, 2029**. Proposals should be delivered to the office of Red River Authority of Texas, 3000 Hammon Road, Wichita Falls, Texas 76310, or mailed to P.O. Box 240, Wichita Falls, Texas 76307, prior to **3:00 p.m.** on **Friday, June 5, 2026**.

GENERAL CONSIDERATIONS

An average Pro Forma Statement of the Authority's current depository activity over the preceding twelve-month period is provided for your review and evaluation.

The Authority requests that the bank make its formal bid by submitting a proposal detailing any special provisions, considerations, conditions, or exceptions that may assist in the selection of a depository (i.e., interest earned on account(s), fees and charges, minimum collected reserves, and minimum collected balance needed to offset service charges). This proposal should include high-yield money market account(s) and Insured Cash Sweep programs(s), if available.

Prospective bidders for the Authority's depository contract must provide a year **2026** readiness disclosure statement with the bid.

The Authority reserves the right to negotiate with the most competitive bid (in the Authority's opinion) and may select the right to reject any and/or all bids.

All bids will be evaluated by the Authority's Finance Committee and submitted to the Board of Directors with the committee's recommendations. All bidders will be notified of the Board's selection of the depository.

RED RIVER AUTHORITY OF TEXAS

MONTHLY PRO FORMA STATEMENT

(AVERAGE OVER 12 MONTHS)

April 1, 2025 - March 31, 2026

RED RIVER AUTHORITY OF TEXAS
MONTHLY PRO FORMA STATEMENT
(AVERAGE OVER 12 MONTHS)
April 1, 2025 – March 31, 2026

ACCOUNT TYPES	AVERAGE BALANCE
Operating	
Average Ledger Balance	$187,315
Less Average Float	$15,539
Average Collected Balance	$1,055,187

AVERAGE OPERATING ACCOUNT ACTIVITY	QUANTITY
Deposits (Total)	156
Checks	47
Drafts – ACH	106
Checks Written	129
Wire Transfers – Annually	54
Insufficient Checks – (RRA)	0
Insufficient Checks – (On Deposits)	5
Direct Deposit Payroll – (Semi-Monthly)	98

Red River Authority of Texas
P.O. Box 240
3000 Hammon Road
Wichita Falls, TX 76307
(940) 723-8697
(940) 723-8531 - Fax

Red River Authority of Texas
P.O. Box 240
3000 Hammon Road
Wichita Falls, Texas 76307
(940) 723-8697
(940) 723-8531 - Fax

TRD-202601742
Cara Glasscock
Administration Manager
Red River Authority of Texas
Filed: April 22, 2026

♦ ♦ ♦

South Texas Development Council

Public Notice: 30-Day Public Comment Period South Texas Area Agency on Aging - Draft Area Plan 2027 - 2029

The South Texas Area Agency on Aging (South Texas AAA) is welcoming public comments on its Draft 2027 - 2029 Area Plan during a 30-day comment period. The Area Plan highlights goals, priorities, and strategies designed to support older adults, caregivers, and communities throughout the South Texas region.

We invite residents, families, caregivers, community partners, and local organizations to share their thoughts. Your ideas and experiences help ensure the Area Plan truly reflects our community's needs and values. South Texas AAA will review all comments received and use input to help guide the final 2027 - 2029 Area Plan.

Access Draft Plan here http://bit.ly/48lmHaX

Share Your Input

Public comments will be accepted from **April 23, 2026** through **May 23, 2026.**

Submit comments by email or mail:

Email: Nancy Rodriguez, Aging and Disability Services Director - nrodriguez@stdc.cog.tx.us

Mail: South Texas AAA, P.O. Box 2187, Laredo, Texas 78044-2187

TRD-202601770
Nancy Rodriguez
Aging and Disability Services Director
South Texas Development Council
Filed: April 23, 2026

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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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