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 10. COMMUNITY DEVELOPMENT

PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 1. ADMINISTRATION

SUBCHAPTER A. GENERAL POLICIES AND PROCEDURES

10 TAC §1.2

The Texas Department of Housing and Community Affairs (the Department) proposes the amendment of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.2 Department Complaint Process. The rule relates to how complaints may be filed with the Department. The purpose of the amendment is to remove reference to submitting complaints via fax.

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

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

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

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

1. The amended section does not create or eliminate a government program but relates to the process to be used for persons wishing to file a complaint with the Department.

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

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

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

5. The amended section does not create a new regulation.

6. The amended section will not expand nor contract an existing regulation.

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

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

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

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held May 22, 2026, to June 22, 2026, to receive input on the newly proposed rule. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin (Central) local time, June 22, 2026.

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

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

§1.2. Department Complaint Process.

(a) Purpose. The purpose of this section is to establish the procedures by which complaints are filed with the Department and how the Department handles those complaints under Department jurisdiction in compliance with Tex. Gov't Code §2306.066, Tex. Gov't Code, Chapter 2105, Subchapter C, and 24 CFR §91.115(h), as applicable.

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

(1) Complainant--A Person filing a Complaint.

(2) Complaint--A complaint submitted to the Department in writing (via mailed letter, [~~fax,~~] email, or submitted online through the Department website) from a person that believes the Department has the authority to resolve the issue.

(3) Complaint Coordinator--Department employee designated by the Executive Director or their designee to monitor the Public Complaint System and coordinate activities related to complaints.

(4) Complaint Liaison--The [~~the~~] Department employee(s) designated by each division or program to handle each division or program's complaint-related issues.

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

(6) Person--Any individual, other than an employee of the Department, and any partnership, corporation, association, governmental subdivision, or public or private organization of any character.

(7) Public Complaint System--Department-created system used to track complaints received by the Department.

(c) Applicability. Except as specifically adopted in whole or in part by rule or contractual provision this rule is not applicable to:

(1) consumer complaints relating to manufactured housing which are alternatively addressed by §80.73 of this title relating to Manufactured Housing Procedures for Handling Consumer Complaints; and

(2) Complaints filed in association with temporary Department programs for which a separate Complaint process has been established.

(d) Procedures.

(1) Complaint Submission. A Person who has a Complaint may submit such Complaint in writing to the Department, which will be directed to a Complaint Coordinator. If an accommodation because of a disability is needed in relation to the process of filing of a Complaint, the Person interested in filing the Complaint should refer to 10 TAC §1.1, Reasonable Accommodation Requests to the Department; if assistance is needed for non-English speaking persons, the Person interested in filing the Complaint should access the Department's Language Assistance webpage (https://www.tdhca.state.tx.us/lap.htm).

(2) Upon receipt of a Complaint:

(A) A Complaint Coordinator will enter the complaint in the Public Complaint System.

(B) A Complaint Coordinator will review the Complaint and as needed, forward the Complaint to the appropriate program or division Complaint Liaison(s).

(C) Notwithstanding any other provisions of this subsection, in the case of Complaints received by the Department in which no method of contacting the Complainant was provided, the Complaint Coordinator will close the Complaint in the Public Complaint System and provide a copy of the Complaint to the applicable program or division for informational purposes only.

(D) A Complaint Coordinator may also identify whether a Complaint received involves a potential Reasonable Accommodation request involving a Department recipient or property; in such cases the Complaint will be handled as provided for in §1.204 of this chapter relating to Reasonable Accommodations.

(E) Complaints that have potential Fair Housing Act violations may, at the Department's discretion, be also referred to the Texas Workforce Commission's Civil Rights Division.

(F) The Department will notify the Complainant of the status of the Complaint at least quarterly until there is a disposition of the Complaint, which is the final determination; there is no further process available, except as otherwise provided in state or federal law.

(3) A Complaint Liaison will research and evaluate the issues identified in the Complaint, and then resolve and close the Complaint. The Complaint Liaison will enter in the Public Complaint System summaries of each contact made with the Complainant and any actions taken leading to complaint resolution.

(4) The Complaint Coordinator may submit periodic summary reports or analysis to the Executive Director or designee.

(5) The Department will provide to the Person filing the Complaint, and to each Person who is a subject of the Complaint (to the extent contact information is available), a link to this rule, which serves as the Department's policy and procedures relating to complaint investigation and resolution.

(6) The Department will either notify the Complainant of the resolution of the Complaint within 15 business days after the date the Complaint was received by the Department, or notify the Complainant, within such period, of the date the Complainant can expect a response to the Complaint.

(7) Additional Complaints submitted by the same Complainant describing an issue which has previously been closed, had a final resolution, and for which there is no substantively new information presented, will be considered resolved by the Department. A letter to this effect will be sent to the Complainant by the Department. In such cases, a new Complaint will not be opened in the system.

(8) An information file about each Complaint will be maintained. The file must include:

(A) the Complaint number;

(B) the name of the Complainant;

(C) the date the Complaint was received by the Department;

(D) the subject matter of the Complaint;

(E) the name of each Person contacted in relation to the Complaint, if applicable;

(F) a summary of the results of the review of the Complaint;

(G) the date the Complaint was closed; and

(H) an explanation of the final resolution of the Complaint including the reason the file was closed.

(9) A Complaint may be withdrawn by the Complainant at any time.

(10) A Complainant may request and receive from the Department copies of any documentation or records collected by the Department with regard to the Complaint, subject to the Texas Public Information Act.

(11) Adherence to these procedures is not required by the Department if another procedure is required by law, or if the following of a procedure above would jeopardize an audit or Government investigation.

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 May 7, 2026.

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Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 475-3959

CHAPTER 2. ENFORCEMENT

SUBCHAPTER C. ADMINISTRATIVE PENALTIES

10 TAC §2.302

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 2, Subchapter C, Administrative Penalties, §2.302 Administrative Penalty Process. The purpose of the proposed repeal is to eliminate the outdated rule and replace it simultaneously with a new rule that incorporates changes to the HOME Final Rule published by the United States Department of Housing and Urban Development (HUD), changes pursuant to Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and minor rule clarifications.

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

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

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

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

1. The repeal does not create or eliminate a government program but relates to changes to an existing activity: the enforcement of the Department's program rules.

2. The repeal does not require a change in work that creates new employee positions.

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

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

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

6. The repeal is not considered to expand an existing regulation.

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

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

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

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held May 22, 2026 to June 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Ysella Kaseman at Ysella.kaseman@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, June 22, 2026.

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

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

§2.302. Administrative Penalty Process.

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 May 7, 2026.

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Bobby Wilkinson
Executive Director
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For further information, please call: (512) 475-3959

10 TAC §2.302

(Editor's note: In accordance with Texas Government Code, §2002.014, which permits the omission of material which is "cumbersome, expensive, or otherwise inexpedient," the figures in 10 TAC §2.302 are not included in the print version of the Texas Register. The figures are available in the on-line version of the May 22, 2026, issue of the Texas Register.)

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 2, Subchapter C, Administrative Penalties, §2.302 Administrative Penalty Process. The purpose of the proposed action is to eliminate the outdated rule and replace it simultaneously with a new rule that incorporates changes to the HOME Final Rule published by the United States Department of Housing and Urban Development (HUD), changes pursuant to Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and minor rule clarifications.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed because there are no additional costs associated with this action. Sufficient existing state and/or federal administrative funds associated with the applicable programs are available to offset costs. No additional funds will be needed to implement this rule.

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

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

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

1. The rule does not create or eliminate a government program but relates to changes to an existing activity: the enforcement of the Department's program rules.

2. The rule does not require a change in work that creates new employee positions.

3. The new section will not require additional future legislative appropriations.

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

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

6. The new section does expand on an existing regulation.

7. The new section does not increase the number of individuals subject to the rule's applicability.

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

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

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

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

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

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

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be improvement in the Department's ability to enforce noncompliance relating to the HOME Final Rule and PRWORA. The rule does provide for administrative costs to owners that fail to comply. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the sections may have some costs to the state to process enforcement proceedings. However, sufficient state or federal administrative funds associated with the applicable programs are already available to offset costs. No additional funds will be required.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held May 22, 2026 to June 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Ysella Kaseman at Ysella.kaseman@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, June 22, 2026.

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

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

§2.302. Administrative Penalty Process.

(a) The Executive Director will appoint an Enforcement Committee, as defined in §2.102 of this chapter (relating to Definitions).

(b) The referring division will recommend the initiation of administrative penalty proceedings to the Committee by referral to the secretary of the Committee (Secretary). At the time of referral for a multifamily rental Development, the referral letter from the referring Division will require the Responsible Party who Controls the Development to provide a listing of the Actively Monitored Developments in their portfolio. The Secretary will use this information to help determine whether mandatory Debarment should be simultaneously considered by the Enforcement Committee in accordance with §2.401(e)(2) of this chapter (relating to repeated violations).

(c) The Secretary shall promptly contact the Responsible Party. If fully acceptable corrective action documentation is submitted to the referring division before the Secretary sends an informal conference notice, the referral shall be closed with no further action provided that the Responsible Party is not subject to consideration for Debarment and provided that the referring division does not wish to move forward with the referral based upon a pattern of repeated violations. If the Secretary is not able to facilitate resolution, but receives a reasonable plan for correction, such plan shall be reported to the Committee to determine whether to schedule an informal conference, modify the plan, or accept the plan. If accepted, plan progress shall be regularly reported to the Committee, but an informal conference will not be held unless the approved plan is substantively violated, or an informal conference is later requested by the Committee or the Responsible Party. Plan examples include but are not limited to: a rehabilitation plan with a scope of work or contracts already in place, plans approved by the Department as part of the Previous Participation Review process provided for in 10 TAC Subchapter C for an ownership transfer or funding application, plans approved by the Executive Director, plans approved by the Asset Management Division, and/or plans relating to newly transferred Developments with unresolved Events of Noncompliance originating under prior ownership. Should the Secretary and Responsible Party fail to come to, an agreement or closer of the referral, or if the Responsible Party or ownership group's prior history of administrative penalty referrals does not support closure, or if consideration of Debarment is appropriate, the Secretary will schedule an informal conference with the Responsible Party to attempt to reach an agreed resolution.

(d) When an informal conference is scheduled, a deadline for submitting Corrective Action documentation will be included, providing a final opportunity for resolution. If compliance is achieved at this stage, the referral will be closed with a warning letter provided that factors, as discussed below, do not preclude such closure. Closure with a warning letter shall be reported to the Committee. Factors that will determine whether it is appropriate to close with a warning letter include, but are not limited to:

(1) Prior Enforcement Committee history relating to the Development or other properties in the ownership group;

(2) Prior Enforcement Committee history regarding similar federal or state Programs;

(3) Whether the deadline set by the Secretary in the informal conference notice has been met;

(4) Whether the Committee has set any exceptions for certain finding types; and

(5) Any other factor that may be relevant to the situation.

(e) If an informal conference is held:

(1) Notwithstanding the Responsible Party's attendance or presence of an authorized representative, the Enforcement Committee may proceed with the informal conference;

(2) The Responsible Party may, but is not required to be, represented by legal counsel of their choosing at their own cost and expense;

(3) The Responsible Party may bring to the meeting third parties, employees, and agents with knowledge of the issues;

(4) Assessment of an administrative penalty and Debarment may be considered at the same informal conference; and

(5) In order to facilitate candid dialogue, an informal conference will not be open to the public; however, the Committee may include such other persons or witnesses as the Committee deems necessary for a complete and full development of relevant information and evidence.

(f) An informal conference may result in the following, which shall be reported to the Executive Director:

(1) An agreement to dismiss the matter with no further action;

(2) A compliance assistance notice issued by the Committee, available for Responsible Parties appearing for the first time before the Committee for matters which the Committee determines do not necessitate the assessment of an administrative penalty, but for which the Committee wishes to place the Responsible Party on notice with regard to possible future penalty assessment;

(3) An agreement to resolve the matter through corrective action without penalty with a clear timeline included. If the agreement is to be included in an order, a proposed agreed order will be prepared and presented to the Board for approval;

(4) An agreement to resolve the matter through corrective action with the assessment of an administrative penalty which may be probated in whole or in part, and may, where appropriate, include additional action to promote compliance such as requirements to obtain training. In this circumstance, a proposed agreed order will be prepared and presented to Department's Governing Board for approval;

(5) A recommendation by the Committee to the Executive Director to determine that a violation occurred, and to issue a report to the Board and a Notice of Violation to the Responsible Party, seeking the assessment of administrative penalties through a contested case hearing with the State Office of Administrative Hearings (SOAH); or

(6) Other action as the Committee deems appropriate.

(g) Upon receipt of a recommendation from the Committee regarding the issuance of a report and assessment of an administrative penalty under subsection (f)(5) of this section, the Executive Director shall determine whether a violation has occurred. If needed, the Executive Director may request additional information and/or return the recommendation to the Committee for further development. If the Executive Director determines that a violation has occurred, the Executive Director will issue a report to the Board in accordance with §2306.043 of the Texas Government Code.

(h) Not later than 14 days after issuance of the report to the Board, the Executive Director will issue a Notice of Violation to the Responsible Party, along with a Notice of Violation for Property Posting (which shall be printed and posted in two prominent places on the property subject to the Notice, and photographic proof of the posting

shall be made). The Notice of Violation issued by the Executive Director will include:

(1) A summary of the alleged violation(s) together with reference to the particular sections of the statutes and rules alleged to have been violated;

(2) A statement informing the Responsible Party of the right to a hearing before the SOAH, if applicable, on the occurrence of the violation(s), the amount of penalty, or both;

(3) Any other matters deemed relevant, including the requirements regarding the Notice of Violation for Property Posting; and

(4) The amount of the recommended penalty. In determining the amount of a recommended administrative penalty, the Executive Director shall take into consideration the statutory factors at Tex. Gov't Code §2306.042 the penalty schedule shown in the tables in subsection (k) of this section and in the instance of a proceeding to assess administrative penalties against a Responsible Party administering the annual block grant portion of CDBG, CSBG, or LIHEAP, whether the assessment of such penalty will interfere with the uninterrupted delivery of services under such program(s). The Executive Director shall further take into account whether the Department's purposes may be achieved or enhanced by the use of full or partial probation of penalties subject to adherence to specific requirements and whether the violation(s) in question involve disallowed costs.

(i) Not later than 20 days after the Responsible Party receives the Notice of Violation, the Responsible Party may accept the requirements of the Notice of Violation or request a SOAH hearing.

(j) If the Responsible Party requests a hearing or does not respond to the Notice of Violation, the Executive Director, with the approval of the Board, shall cause the hearing to be docketed before a SOAH administrative law judge in accordance with §1.13 of this title (relating to Contested Case Hearing Procedures), which outlines the remainder of the process.

(k) Penalty schedules.
Figure 1: 10 TAC §2.302(k)
Figure 2: 10 TAC §2.302(k)
Figure 3: 10 TAC §2.302(k)

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 May 7, 2026.

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

SUBCHAPTER D. DEBARMENT FROM PARTICIPATION IN PROGRAMS ADMINISTERED BY THE DEPARTMENT

10 TAC §2.401

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 2, Subchapter D, Debarment from Participation in Programs Administered by the Department, §2.401 General. The purpose of the proposed repeal is to eliminate the outdated rule and replace it simultaneously with a new rule that incorporates changes to the HOME Final Rule published by the United States Department of Housing and Urban Development (HUD), changes pursuant to Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and minor rule clarifications.

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

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

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

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

1. The repeal does not create or eliminate a government program but relates to changes to an existing activity: the enforcement of the Department's program rules.

2. The repeal does not require a change in work that creates new employee positions.

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

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

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

6. The repeal is not considered to expand an existing regulation.

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

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

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

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

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

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

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

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public

benefit anticipated as a result of the changed sections would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed section.

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held May 22, 2026 to June 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Ysella Kaseman at ysella.kaseman@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, June 22, 2026.

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

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

§2.401. General.

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 May 7, 2026.

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

10 TAC §2.401

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 2, Subchapter D, Debarment from Participation in Programs Administered by the Department, §2.401 General. The purpose of the proposed action is to eliminate the outdated rule and replace it simultaneously with a new rule that incorporates changes to the HOME Final Rule published by the United States Department of Housing and Urban Development (HUD), changes pursuant to Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and minor rule clarifications.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed because there are no additional costs associated with this action. Sufficient existing state and/or federal administrative funds associated with the applicable programs are available to offset costs. No additional funds will be needed to implement this rule.

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

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

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

1. The rule does not create or eliminate a government program but relates to changes to an existing activity: the enforcement of the Department's program rules.

2. The rule does not require a change in work that creates new employee positions.

3. The new section will not require additional future legislative appropriations.

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

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

6. The new section does expand on an existing regulation.

7. The new section does not increase the number of individuals subject to the rule's applicability.

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

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

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

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

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

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

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be improvement in the Department's ability to enforce noncompliance relating to the HOME Final Rule and PRWORA. The rule does provide for administrative costs to owners that fail to comply. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the sections may have some costs to the state to process enforcement proceedings. However, sufficient state or federal administrative funds associated with

the applicable programs are already available to offset costs. No additional funds will be required.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held May 22, 2026 to June 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Ysella Kaseman at ysella.kaseman@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, June 22, 2026.

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

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

§2.401. General.

(a) The Department may debar a Responsible Party, a Consultant, and/or a Vendor who has exhibited past failure to comply with any condition imposed by the Department in the administration of its programs. Any of the following discretionary debarment criteria must be past the provided corrective action deadline, if applicable. A Responsible Party, Consultant or Vendor may be referred to the Committee for Debarment for any of the following:

(1) Refusing to provide an acceptable plan to implement and adhere to procedures to ensure compliant operation of the program after being placed on Modified Cost Reimbursement;

(2) Refusing to repay disallowed costs;

(3) Refusing to enter into a plan to repay disallowed costs or egregious violations of an agreed repayment plan;

(4) Meeting any of the ineligibility criteria referenced in §11.202 of this title (relating to Ineligible Applicants and Applications) or other ineligibility criteria outlined in a Program Rule, with the exception of: ineligibility related to conflicts of interest disclosed to the Department for review, and ineligibility identified in a previous participation review in conjunction with an application for funds or resources (unless otherwise eligible for Debarment under this Subchapter D);

(5) Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department;

(6) Failing to correct Events of Noncompliance as required by an order that became effective after April 1, 2021, and/or failing to pay an administrative penalty as required by such order, within six months of a demand being issued by the Department. In this circumstance, if the Debarment process is initiated but the Responsible Party, Consultant, and/or Vendor fully corrects the findings of noncompliance to the satisfaction of the referring division and pays the administrative penalty as required by the order before the Debarment is finalized by the Board, the Debarment recommendation may be cancelled or withdrawn by Committee recommendation and Executive Director concurrence. This type of referral would be initiated by the Secretary;

(7) Controlling a multifamily Development that was foreclosed after April 1, 2021, where the foreclosure or deed in lieu of foreclosure terminates a TDHCA LURA. After January 1, 2026, this also applies if a TDHCA LURA is terminated because of bankruptcy;

(8) Controlling a multifamily Development where there is no operable elevator in an elevator-serviced building after January 1, 2026, unless the Owner can provide evidence that necessary repairs were under contract and scheduled for repair with a licensed repair company within the corrective action period;

(9) Controlling a multifamily Development and allowing a change in ownership after April 1, 2021, without Department approval;

(10) Transferring a Development, after April 1, 2021, without regard for a Right of First Refusal requirement;

(11) Being involuntary removed, or replaced due to a default by the General Partner under the Limited Partnership Agreement, after April 1, 2021;

(12) Controlling a multifamily Development and failing to correct Events of Noncompliance before the expiration of a Land Use Restriction Agreement after February 4, 2026;

(13) Refusing to comply with award conditions approved by the Board that were recommended by the Executive Award Review Advisory Committee or Executive Director after April 1, 2021;

(14) Having any Event of Noncompliance that occurs after April 1, 2021, that causes the Department to be required to repay federal funds to any federal agency including, but not limited to the U.S. Department of Housing and Urban Development; and/or

(15) Submitting a written certification that non-compliance has been corrected when it is determined that the Event of Noncompliance was not corrected. For certain Events of Noncompliance, in lieu of documentation, the Compliance Division accepts a written certification that noncompliance has been corrected. If it is determined that the Event of Noncompliance was not corrected, a Person who signed the certification may be recommended for debarment;

(16) Refusing to provide an amenity required by the LURA after April 1, 2021;

(17) Failing to reserve units for Section 811 PRA participants after April 1, 2021;

(18) Failing to notify the Department of the availability of 811 PRA units after April 1, 2021;

(19) Taking "choice limiting" actions prior to receiving HUD environmental clearance (24 CFR §58.22);

(20) Substandard construction, as defined by the Program, and repeated failure to conduct required inspections;

(21) Repeated failure to provide eligible match. 24 CFR §92.220, 24 CFR §576.201, and as required by NOFA;

(22) Repeated failure to report program income. As applicable, 24 CFR §200.80, 24 CFR §570.500, 24 CFR §576.407(c), 24 CFR §92.503 24 CFR §93.304, and 10 TAC §20.9, or as defined by Program Rule;

(23) Participating in activities leading to or giving the appearance of "Conflict of Interest". As applicable, in 2 CFR Part 215, 2 CFR Part 200. 24 CFR §§93.353, §92.356, §570.489, §576.404, 10 TAC §20.9, or as defined by Program Rule;

(24) Repeated material financial system deficiencies. As applicable, 2 CFR Part 200, 24 CFR §§, 92.205, 92.206, 92.350, 92.505, and 92.508, 2 CFR Part 215, 2 CFR Part 225 (if applicable), 2 CFR Part 230 10 TAC §20.9, Uniform Grant Management Standards,

and Texas Grant Management Standards, and as defined by Program Rule;

(25) Repeated violations of Single Audit or other programmatic audit requirements;

(26) Failure to remain and operate as a CHDO, as outlined in the Contract or LURA;

(27) Commingling of funds, Misapplication of funds;

(28) Refusing to submit a required Audit Certification Form, Single Audit, or other programmatic audit;

(29) Refusing to timely respond to reports/provide required correspondence;

(30) Failure to timely expend funds; and

(31) A Monitoring Event determines that 50% or more of the client or household files reviewed do not contain required documentation to support income eligibility or indicate that the client or household is not income eligible.

(b) The Department shall debar any Responsible Party, Consultant, and/or Vendor who is debarred from participation in any program administered by the United States Government.

(c) Debarment for violations of the Department's Multifamily Programs. The Department shall debar any Responsible Party, Consultant, and/or Vendor who has materially or repeatedly violated any condition imposed by the Department in connection with the administration of a Department program, including but not limited to a material or repeated violation of a land use restriction agreement (LURA) or Contract. Subsection (d) of this section provides the criteria the Department will use to determine if there has been a material violation of a LURA. Subsections (e)(1) and (e)(2) of this section provide the criteria the Department shall use to determine if there have been repeated violations of a LURA. Any of the following mandatory debarment criteria must be past the corrective action deadline, if applicable.

(d) Material violations of a LURA. A Responsible Party, Consultant, and/or Vendor will be considered to have materially violated a LURA, Program Agreement, or condition imposed by the Department and shall be referred to the committee for mandatory Debarment if they:

(1) Control a Development that has, on more than one occasion scored 50 or less on a UPCS inspection or has, on more than one occasion scored 50 or less on a NSPIRE inspection, or any combination thereof. The Compliance Division or Enforcement Committee may temporarily decrease this NSPIRE score referral threshold for a Development, with approval by the Executive Director, for a period of time not longer than one year, so long as the referral score threshold is applied evenly to all Developments with similar types of violations;

(2) Refuse to allow a monitoring visit when proper notice was provided or failed to notify residents, resulting in inspection cancellation, or otherwise fails to make units and records available;

(3) Refuse to reduce rents to less than the highest allowed under the LURA;

(4) Refuse to correct a UPCS, NSPIRE, or final construction inspection deficiency after February 4, 2026;

(5) Fail to meet minimum set aside by the end of the first year of the credit period (HTC Developments only) after April 1, 2021; or

(6) Excluding an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1-437), or other federal, state, or local government rental assistance program after April 1, 2021.

(e) Repeated Violations of a LURA that shall be referred to the Committee for Debarment.

(1) A Responsible Party, Consultant, and/or Vendor shall be referred to the Committee for mandatory Debarment if they Control a Development that, during two Monitoring Events in a row is found to be out of compliance with the following Events of Noncompliance:

(A) No evidence of, or failure to certify to, material participation of a non-profit or HUB, if required by the Land Use Restriction Agreement;

(B) Any Uniform Physical Condition Standards Violations that result in a score of 70 or below in sequential UPCS inspections after April 1, 2021 or NSPIRE violations that result in a score of 50 or below in sequential inspections after February 4, 2026, or any combination thereof. The Compliance Division or Enforcement Committee may temporally decrease this NSPIRE score referral threshold with approval by the Executive Director, for a period not to exceed one year, so long as the referral score threshold is applied evenly to all Developments with similar types of violations;

(C) Refuse to submit all or parts of the Annual Owner's Compliance Report for two consecutive years after April 1, 2021; or

(D) Gross rents exceed the highest rent allowed under the LURA or other deed restriction.

(2) Repeated violations in a portfolio. Responsible Party who control five or more Actively Monitored Developments will be considered for Debarment based on repeated violations in a portfolio. A Person shall be referred to be committee if an inspection or referral, after April 1, 2021, indicates the following:

(A) 50% or more of the Actively Monitored Developments in the portfolio that are Controlled by the Responsible Party, whether acting alone or in concert with others, have been referred to the Enforcement Committee within the last three years. The Enforcement Committee may increase this threshold at its discretion. For example, if three properties in a five-property portfolio are monitored in the same month, and then referred to the Enforcement Committee at the same time, it may be appropriate to increase the 50% threshold; or

(B) 50% or more of the Actively Monitored Developments in the portfolio score a 70 or less during a Uniform Physical Conditions Standards inspection or score 50 or less during a NSPIRE inspection, or any combination thereof. The Compliance Division may decrease this NSPIRE score threshold with approval by the Executive Director, for a period not to exceed one year, so long as the score threshold is applied evenly to all properties.

(f) Debarment for violations of Department Programs, with the exception of the Non-Discretionary funds in the Community Services Block Grant program. Material or repeated violations of conditions imposed in connection with the administration of Programs administered by the Department. Administrators, Subrecipients, Responsible Parties, contractors, Owners, and related parties shall be referred to the Committee for consideration for Debarment for violations including but not limited to:

(1) 50% or more loan defaults in the first 12 months of the loan agreement after April 1, 2021;

(2) The following Davis Bacon Act Violations:

(A) Refusing to pay restitution (underpayment of wages). 29 CFR §5.31.

(B) Refusing to pay liquidated damages (overtime violations). 29 CFR §5.8.

(C) Repeated failure to pay full prevailing wage, including fringe benefits, for all hours worked. 29 CFR §5.31.

(3) The following violations of the Uniform Relocation Act and requirements of §104(d):

(A) Repeated failure to provide the General Information Notice to tenants prior to application. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352 and HUD Handbook 1378.

(B) Repeated failure to provide all required information in the General Information Notice. 49 CFR §24.203, 24 CFR §570.606, 24 CFR §92.353, 24 CFR §93.352, or HUD Handbook 1378.

(C) Repeated failure to provide the Notice of Eligibility and/or Notice of Non-displacement on or before the Initiation of Negotiations date. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(D) Repeated failure to provide all required information in the Notice of Eligibility and/or Notice of Non-displacement. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(E) Repeated failure to provide 90 Day Notices to all "displaced" tenants and/or repeated failure to provide 30 Day Notices to all "non-displaced" tenants. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(F) Repeated failure to perform and document "decent, safe and sanitary" inspections of replacement housing. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(G) Refusing to properly provide Uniform Relocation Act or §104(d) assistance. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §570.606 and §104(d) of the Housing & Community Development Act of 1974 - 24 CFR Part 42.

(4) Failure to correct Build America Buy America violations after the corrective action period.

(5) Repeated noncompliance with the provisions of Chapter 1, Subchapter B, of this title concerning Accessibility and Reasonable Accommodations, including but not limited to the failure to grant, deny, or engage in the interactive process concerning reasonable accommodations within a reasonable time period, not to exceed fourteen (14) calendar days.

(6) Failure to sign any PRWORA Agreement or Contract Amendment (as applicable), or Repeated noncompliance with the PRWORA provisions as reflected in this title or as reflected in a PRWORA Agreement or Contract Amendment.

(7) Refusing to reimburse excess cash on hand.

(8) Using Department funds to demolish a homeowner's dwelling and then refusing to rebuild.

(9) Drawing down Department funds for an eligible use and then refusing to pay a properly submitted request for payment to a subgrantee or vendor with the drawn down funds.

(g) The referring division shall provide the Responsible Party, Consultant, and/or Vendor with written notice of the referral to the Committee, setting forth the facts and circumstances that justify the referral for Debarment consideration. That notice shall require the Responsible Party to provide a current organizational chart showing ownership to the level of natural persons who are in Control of the development, and must indicate which entities and natural persons have the ability to Control the development.

(h) The Secretary shall then offer the Responsible Party, Consultant, and/or Vendor the opportunity to attend an Informal Conference with the Committee to discuss resolution of the matter. In the event that the Debarment referral was the result of a violated agreed order or a determination that 50% or more of the Actively Monitored Developments in their portfolio have been referred to the Enforcement Committee, the above written notice of the referral to the Committee and the informal conference notice shall be combined into a single notice issued by the Secretary.

(i) A Debarment Informal Conference may result in the following, which shall be reported to the Executive Director:

(1) A determination that the Department did not have sufficient information and/or that the Responsible Party, Consultant, and/or Vendor does not meet any of the criteria for Debarment;

(2) An agreed Debarment, with a proposed agreed order to be prepared and presented to the Board for approval;

(3) A recommendation by the Committee to the Executive Director for Debarment;

(4) A request for further information, to be considered during a future meeting; or

(5) If Debarment is not mandatory, one of the following results, which will then be reported to the Executive Director:

(A) An agreement to dismiss the matter with no further action;

(B) A recommendation for a voluntary non-participation agreement, with an alternative recommendation for Debarment to the Executive Director, with said Debarment recommendation to be made only in the event that the Responsible Party, Consultant, and/or Vendor refuses to enter into a voluntary non-participation agreement;

(C) An agreement to dismiss the matter with corrective action being taken; or

(D) Any other action as the Committee deems appropriate.

(j) The Committee's recommendation to the Executive Director regarding a voluntary non-participation agreement shall include a recommended period during which the Responsible Party, Consultant, and/or Vendor will not participate in any new Department financing, assistance opportunity, or programs in any manner. Recommended periods of non-participation will be based on material factors such as repeated occurrences, seriousness of underlying issues, presence or absence of corrective action taken or planned, including corrective action to install new responsible persons and ensure they are qualified and properly trained. If the Department determines that this type of agreement is appropriate and the Responsible Party, Consultant, and/or Vendor agrees to the terms proposed by the Department, the Enforcement Committee will not recommend Debarment. This agreement will be placed on the Department website for the duration of its term. The Department will provide a quarterly report to the Board regarding any voluntary non-participation agreements that have been entered into during the previous quarter. The terms of a voluntary non-participation agreement are not appealable to the Board.

(k) The Committee's recommendation to the Executive Director regarding Debarment shall include a recommended period of Debarment. Recommended periods of Debarment will be based on material factors such as repeated occurrences, seriousness of underlying issues, presence or absence of corrective action taken or planned, including

corrective action to install new responsible persons and ensure they are qualified and properly trained. Recommended periods of Debarment if based upon HUD Debarment, shall be for the period of the remaining HUD Debarment; or, if based upon criminal conviction, shall be up to ten (10) years or until fulfillment of all conditions of incarceration and/or probation, whichever is greater.

(l) The Executive Director shall accept, reject, or modify the Debarment recommendation by the Committee and shall provide written notice to the Responsible Party, Consultant, and/or Vendor of the determination, and an explanation of the determination if different than the Committee's recommendation, including the period of Debarment, if any. The Responsible Party, Consultant, and/or Vendor may appeal the Debarment determination in writing to the Board as described in §1.7 of this title (relating to Appeals Process).

(m) The Debarment recommendation will be brought to the next Board meeting for which the matter can be properly posted. The Board reserves discretion to impose longer or shorter Debarment periods than those recommended by staff based on its finding that such longer or shorter periods are appropriate when considering all factors and/or for the purposes of equity or other good cause. An action on a proposed Debarment of an Eligible Entity under the CSBG Act will not become final until and unless proceedings to terminate Eligible Entity status have occurred, resulting in such termination and all rights of appeal or review have run or Eligible Entity status has been voluntarily relinquished.

(n) Until the Responsible Party, Consultant, and/or Vendor's Debarment referral is fully resolved, the Responsible Party, Consultant, and/or Vendor may not participate in new Department financing and assistance opportunities.

(o) Any person who has been debarred is prohibited from participation as set forth in the final order of Debarment for the term of their Debarment. Unless specifically stated in the order of Debarment, Debarment does not relieve a Responsible Party, Consultant, and/or Vendor from its current obligations, or prohibit it from continuing its participation in any existing engagements funded through the Department, nor limit its responsibilities and duties thereunder. The Board will not consider modifying the terms of the Debarment after the issuance of a final order of Debarment.

(p) If an Eligible Entity under the CSBG Act meets any of the criteria for Debarment in this rule, the Department may recommend the Eligible Entity for Debarment. However, that referral or recommendation shall not proceed until the termination of the Eligible Entity's status under the CSBG Act has concluded, and no right of appeal or review remains.

(q) All correspondence under this rule shall be delivered electronically.

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 May 7, 2026.

TRD-202601948
Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 475-3959

CHAPTER 10. UNIFORM MULTIFAMILY RULES
SUBCHAPTER F. COMPLIANCE MONITORING

10 TAC §10.625

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F Compliance Monitoring, §10.625 Events of Noncompliance. The purpose of the proposed amendment is to update the list of Events of Noncompliance to align with updated rule sections §10.612 Tenant File Requirements and new §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments adopted by the Department's Board on April 9, 2026.

FISCAL NOTE. Mr. Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the amendment to the rule is in effect, enforcing or administering the amendment does not have any foreseeable implications related to costs or revenues of the state or local governments.

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

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Wilkinson also has determined that, for the first five years the amendment would be in effect:

1. The proposed amendment to the rule will not create or eliminate a government program but merely adds several additional categories of events of noncompliance for certain of the Department's multifamily properties;

2. The proposed amendment to the rule will not require a change in the number of employees of the Department;

3. The proposed amendment to the rule will not require additional future legislative appropriations;

4. The proposed amendment to the rule will result in neither an increase nor a decrease in fees paid to the Department;

5. The proposed amendment to the rule will not create a new regulation but does add several new events of noncompliance consistent with other regulatory changes made in sections §10.612 Tenant File Requirements and new §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments;

6. The proposed amendment to the rule will not repeal an existing regulation;

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

8. The proposed amendment to the rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Wilkinson also has determined that, for each year of the first five years the amendment to the rule is in effect, the public benefit anticipated as a result of the action will be consistency between §10.612 Tenant File Requirements and §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments and the list of Events of Noncompliance. There will not be any economic cost to any individual required to comply with the amendment.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the amendment and also requests information related to the cost, benefit, or effect of the amendment, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. All comments or questions in response to this action may be submitted in writing from May 22, 2026 to June 22, 2026, to receive input on the proposed action. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Wendy Quackenbush at wendy.quackenbush@tdhca.texas.gov or by mail at P.O. Box 13941, Austin, Texas 78711-3941. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, June 22, 2026.

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

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

§10.625. Events of Noncompliance.

Figure: 10 TAC §10.625 lists events for which a multifamily rental Development may be found to be in noncompliance for compliance monitoring purposes. This list is not an exclusive list of events and issues for which an Owner may be subject to an administrative penalty, debarment or other enforcement action. The first column of the chart identifies the noncompliance event. The second column indicates to which program(s) the noncompliance event applies. The last column indicates whether the issue is reportable on IRS Form 8823 for HTC Developments.

Figure: 10 TAC §10.625

[~~Figure: 10 TAC §10.625~~]

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 May 7, 2026.

TRD-202601942

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: June 21, 2026

For further information, please call: (512) 475-3959

SUBCHAPTER G. AFFIRMATIVE MARKETING REQUIREMENTS AND WRITTEN POLICIES AND PROCEDURE

10 TAC §10.802

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 10, Subchapter G, §10.802 Written Policies and Procedures. The purpose of the proposed amendment is to add additional requirements to be included in a property's Written Policies and Procedures that are now required because of recent rule changes at 10 TAC Chapter 10, Subchapter F Compliance Monitoring, §10.612 Tenant File Requirements and new §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments. Those sections incorporated the requirements of Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and the U.S. Department of Housing and Urban Development (HUD) in its 2025 federal Grant Agreements into the Department's Compliance rules for certain multifamily properties. Additions to the Written Policies and Procedures now address notification to tenants or applicants; handling of verification delays that may arise from disputes or appeals or while awaiting determinations from the Department on inconclusive results from SAVE; an appeal process; and how Owners may proceed to the next applicant during delays.

The proposed rule amendments also make other changes not related to the PRWORA implementation that include 1) clarifying the required response periods for certain Developments that are required by a LURA to have an appeal process or a Fair Lease and Grievance Procedure, 2) makes other clarifying edits to more clearly describe Department practices, 3) addresses the means by which a property owner can effectuate a tenant leasing preference or limitation to make this process less onerous, and 4) adds ERA to the list of Programs that may have a VAWA preference with a Contract amendment.

Tex. Gov't Code §2001.0045(b) does not apply to the amendment because it is subject to the exception under §2001.0045(c)(4) which excepts amendments that are necessary to receive a source of federal funds or to comply with federal law. No additional funds will be needed to implement this rule.

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

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221. Mr. Bobby Wilkinson has determined that, for the first five years the amended section would be in effect:

1. The amendment does not create or eliminate a government program but relates to changes to an existing activity: the policies and procedures that must be kept as it relates to the implementation and applicability of Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) in the Department's HOME, HOME-ARP and NHTF properties.

2. The amendment does not require a change in work that creates new employee positions nor does it create savings that would allow for a reduction in employee positions.

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

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

5. The amended section does not create a new regulation.

6. The amended section does expand an existing regulation to provide additional requirements, however the expanded regulations are required to comply with federal law.

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

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

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

The Department has evaluated the amendment and based on prior comment received regarding implementation of PRWORA, it is possible the amendment will create an economic effect on small or micro-businesses or rural communities. The added processes to the Written Policies and Procedures may require additional work for small operators or rural properties and because they tend to more frequently utilize the programs that are applicable. Small operators and rural properties often have limited onsite capacity, increasing the proportional burden and the risk of findings. When verifications escalate to nonrenewal and a household will not vacate, properties can incur foreseeable enforcement costs for court and attorney fees, staff time and the costs of turning over a unit.

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

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

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

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of the new section would be a rule compliant with the federal regulations relating to PRWORA with clear guidance for properties on how they must handle specific issues that may arise. There will not be economic costs to individuals required to comply with the amended section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amended section is in effect, enforcing or administering the amended section will have no economic costs.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held from May 22, 2026 to June 22, 2026. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by email to brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m. Central time, June 22, 2026.

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

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

§10.802. Written Policies and Procedures.

(a) The purpose of this section is to outline the policies and/or procedures of the Department (also called tenant section criteria) that are required to have written documentation. If an Owner fails to have such Written Policies and Procedures, or fails to follow their Written Policies and Procedures it will be handled as an Event of Noncompliance as further provided in §10.803 of this subchapter (relating to Compliance and Events of Noncompliance).

(1) Owners must inform applicants/tenants in writing, at the time of application, or at the time of other actions described in this section, that such policies/procedures as described in this section are available, and that the Owner will provide copies upon request to applicants/tenants or their representatives.

(2) The Owner must have all policies and related documentation required by this section and the TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation" available in the leasing office and anywhere else where applications are taken; Developments that accept electronic applications must maintain on their website these Written Policies and Procedures and the same noted forms.

(3) All policies must have an effective date. Any changes made to the policies require a new effective date, and a notice regarding the availability of new policies must be communicated to tenants in writing. Acceptable forms of notification in writing are:

(A) Written notice to each household through an active communications portal or online rental payment portal, if either are used at the Development;

(B) written notice via hard copy placed on the door to each occupied Unit;

(C) a notice online on the Development's website, if the Development has one; or

(D) a hard copy notice posted in the leasing office's public area for at least 30 calendar days.

(4) In general, policies addressing credit, criminal history, and occupancy standards cannot be applied retroactively. Tenants who already reside in the Development or applicants on the waitlist at the time new or revised tenant selection criteria are applied, and who are otherwise in good standing under the lease or waitlist, must not receive notices of termination or non-renewal based solely on their failure to meet the new or revised tenant selection criteria or be passed over on the waitlist. However, criteria related to program eligibility or compliance with PRWORA may be applied retroactively when a market rate development receives a new award of tax credits, federal, or state funds and a household is not eligible under the new program requirements, or when prior criteria violate federal or state law.

(b) Tenant Selection Criteria. A Development Owner must maintain current and prior versions of the written Tenant Selection Criteria, for the longer of the records retention period that applies to the program, or for as long as tenants who were screened under the historical criteria are occupying the Development.

(1) The criteria identified by a Development must be reasonably related to an applicant's ability to perform under the lease (for a Development with MFDL funding this means to pay the rent, not to damage the housing, and not to interfere with the rights and quiet enjoyment of other tenants) and include at a minimum:

(A) Requirements that determine an applicant's basic eligibility for the Development, including any preferences, restrictions (such as the Occupancy Standard Policy), the Waitlist Policy, Changes in Housing Designation Policy, low income unit designations utilized, and any other tenancy requirements. Any restrictions on student occupancy and any exceptions to those restrictions, as documented in the tenant file as provided for in 10 TAC §10.612(b)(2) of this chapter (relating to Tenant File Requirements) must be stated in the policies;

(B) Applicant screening criteria, including what applicant attributes are screened and what scores or findings would result in ineligibility;

(C) The following statement: Screening criteria will be applied in a manner consistent with all applicable laws, including the Texas and Federal Fair Housing Acts, the Federal Fair Credit Reporting Act, PRWORA, program guidelines, and TDHCA's rules;

(D) Specific age requirements if the Development is operating as an Elderly Property either under the Housing for Older Persons Act of 1995 as amended (HOPA), or the age related eligibly criteria required by its use of federal funds.

(2) The criteria must not:

(A) Include population limitations (such as Elderly or Veterans) unless the limitation is in a recorded LURA that has been approved by the Department;

(B) [(A)] Include preferences for admission, unless it is:

(i) in a recorded LURA or Contract (as defined by programmatic requirements) or written agreement that [which] has been approved by the Department (preferences are required to be in a Contract or LURA when a Development has federal or state funding, except for the preference allowed by paragraph (3) of this subsection or the mandatory preference as required by 24 CFR §8.27),

(ii) is required by a program in which the Owner is participating that [which] requires the preference, or

(iii) is allowed by paragraph (3) of this subsection.

(iv) Owners that include preferences in their leasing criteria due to other federal financing must provide to the Department either written approval from HUD, USDA, or VA for such preference, or identify the statute, written agreement, or federal guidance documentation that permits the adoption of this preference.

(v) A preference may be required to be in a LURA as a result of a subordination agreement, Rider, or other similar instrument, that the Department is requested to execute with another funding source;

(C) [(B)] Exclude an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1-437), or other federal, state, or local government rental assistance program. If an Owner adopts a minimum income standard for households participating in a voucher program, it is limited to the greater of a monthly income of 2.5 times the household's share of the total monthly rent amount or $2,500 annually, except in the case of Foster Youth to Independence (FYI) vouchers any adopted minimum income standard is limited to one month of the household's share of the total monthly rent amount; or

(D) [(C)] In accordance with VAWA, deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking.

(3) If the Development is funded with HOME, HOME ARP, ERA, TCAP RF, NHTF, or NSP funds, in accordance with 24 CFR §93.356 and 24 CFR §92.359, the criteria may have a preference for persons who have experienced domestic violence, dating violence, sexual assault, or stalking.

(4) Occupancy Standard Policy.

(A) If the Development restricts the number of occupants in a Unit in a more restrictive manner than found in Section 92.010 of the Texas Property Code, the Occupancy Standard Policy must allow at least two persons per Bedroom plus one additional person per Unit. An Efficiency Unit that is greater than 600 square feet, must also have an Occupancy Standard Policy of at least three persons per Unit. In an SRO or in an Efficiency that is less than 600 square feet, the Occupancy Standard Policy must allow at least two persons per Unit. Supportive housing or transitional housing Developments where all Units in the Development are SROs or Efficiencies, are not required by the Department to have an Occupancy Standard Policy, except as required for the 811 PRA Program or as reflected in the Development's LURA.

(B) A Development may adopt a more restrictive standard than described in subparagraph (A) of this paragraph, if the Development is required to utilize a more restrictive standard by a local governmental entity, or a federal funding source. However, the Development must have this information available onsite for Department review.

(C) Except for an Elderly Development that meets the requirements of the Housing for Older Persons Act exception under the Fair Housing Act, the Occupancy Standard Policy must state that children that join the household after the start of a lease term will not cause a household to be in violation of the lease.

(c) Reasonable Accommodations Policy. Owners must maintain a written Reasonable Accommodations policy. The policy must be maintained at the Development. Owners are responsible for ensuring that their employees and contracted third party management companies are aware of and comply with the reasonable accommodation policy.

(1) The policy must provide:

(A) Information on how an applicant or current resident with a disability may request a reasonable accommodation;

(B) How transfers related to a reasonable accommodation will be addressed; and

(C) A timeframe in which the Owner will respond to a request that is compliant with §1.204(b)(3) and (d) of this title (relating to Reasonable Accommodations).

(2) The policy must not:

(A) Require a household to make a reasonable accommodation request in writing;

(B) Require a household whose need is readily apparent to provide third party documentation of a disability;

(C) Require a household to provide specific medical or disability information other than the disability verification that may be requested to verify eligibility for reasonable accommodation;

(D) Exclude a household with person(s) with disabilities from admission to the Development because an accessible unit is not currently available; or

(E) Require a household to rent a unit that has already been made accessible.

(d) Waitlist Policy. Owners must maintain a written waitlist policy, regardless of current Unit availability. The policy must be maintained at the Development. The policy must include procedures the Development uses in:

(1) Opening, closing, and selecting applicants from the waitlist, including but not limited to the requirements in §10.615(b) of this title (relating to Elections under IRC §42(g) and Additional Income and Rent Restrictions for HTC, Exchange, and TCAP Developments);

(2) Determining how lawful preferences are applied; and

(3) Procedures for prioritizing applicants needing accessible Units in accordance with 24 CFR §8.27, and Chapter 1, Subchapter B of this title (relating to Accessibility and Reasonable Accommodations).

(e) Changes in Household Designation Policy. This is applicable if a Development has adopted a policy in accordance with §10.611(c) of this subchapter (relating to Determination, Documentation and Certification of Annual Income).

(f) Denied Application Policies. Owners must maintain a written policy regarding the procedures they will follow when denying an application and when notifying denied applicants of their rights.

(1) The policy must address the manner by which rejections of applications will be handled, including timeframes and appeal procedures, if any.

(2) Within seven days after the determination is made to deny an application, the owner must provide any rejected or ineligible applicant that completed the application process a written notification of the grounds for rejection. The written notification must include:

(A) The specific reason for the denial and reference the specific leasing criteria upon which the denial is based;

(B) Contact information for any third parties that provided the information on which the rejection was based and information on the appeals process, if one is used by the Development. An appeals procedure is required for HOME Developments that are owned or sponsored by Community Housing Development Organizations (including a Development that ever received HOME funding that was purchased under a CHDO ROFR Provision on or after April 30, 2026)[~~,~~] and Units at Developments that lease Units under the Department's Section 811 PRA program. The appeals process must provide a 14-day period for the applicant to contest the reason for the denial, and comply with other requirements of the HUD Handbook 4350.3 4-9; and

(C) The TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation."

(3) The Development must keep and may periodically be requested to submit to the Department a log of all denied applicants that completed the application process to include:

(A) Basic household demographic and rental assistance information, if requested during any part of the application process; and

(B) The specific reason for which an applicant was denied.

(4) If an 811 applicant is being denied, within three calendar days of the denial the Department's 811 PRA Program point of contact must be notified and provided with a copy of the written notice that was provided to the applicant.

(g) Non-renewal and/or Termination Notices. A Development Owner must maintain a written policy regarding procedures for providing households non-renewal and termination notices.

(1) The Owner must provide in any non-renewal or termination notice, a specific and lawful reason for the termination or non-renewal.

(2) The notification must:

(A) Be delivered as required under applicable program rules and the lease. For HOME, HOME ARP, TCAP RF, NHTF, NSP, HTC, TCAP, ERA, and Exchange Developments, see 10 TAC §10.613(a) - (b) of this chapter (relating to Lease Requirements). For Section 811 PRA, see 24 CFR §247.4(a) - (f);

(B) Include the TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation." To avoid providing applicants and residents with duplicate information, TDHCA administered Developments layered with other federal funds are permitted to amend the TDHCA VAWA forms to incorporate requirements of other funders. However, none of the information included in the TDHCA created form may be omitted;

(C) State how a person with a disability may request a reasonable accommodation in relation to such notice;

(D) Include information on the appeals process if one is used by the Development. This [~~(this~~] process is required under some LURAs, for HOME Developments that are owned or sponsored by Community Housing Development Organizations (including a Development that ever received HOME funds purchased under a CHDO ROFR Provision on or after April, 30, 2026), and for 811 PRA units.[~~);~~ ~~and~~] For HOME Developments, the Owner must provide at least 30 days for the household to respond to the termination or non-renewal, and for 811 PRA Units the Owner must provide at least 14 days; and

(E) For Units subject to the 2025 HOME Final Rule as identified in §10.601(g), of this chapter relating to 2025 HOME Final Rule applicability,

(i) Such notice should be provided in a translated format when needed to ensure meaningful access for limited English proficient (LEP) persons; and

(ii) Be provided to TDHCA within the timeframe identified in §10.613(o)(4) if this chapter, relating to Notices to Vacate.

(h) At the time of application Owners must provide each adult in the household the TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation." To avoid providing applicants and residents with duplicate information, TDHCA administered Developments layered with other federal funds are permitted to amend the TDHCA VAWA forms to incorporate requirements of other funders. However, none of the information included in the TDHCA created form may be omitted.

(i) Policies and procedure reviews may [~~procedures will~~] be initiated [~~reviewed~~] periodically by the Department [~~Department's Fair Housing staff,~~] as a result of complaints, or through an owner requested [~~initiated~~] written policies and procedures review. Owners may request a review of the written policies and procedures for a portfolio of Developments by submitting a request to fair.housing@tdhca.state.tx.us. After review by the Department, an Owner may make non-substantive changes to the policies.

(j) A Development Owner must allow applicants to submit applications via mail and at the Development site or leasing office; if the Development is electronically equipped, the Development may also allow applications to be submitted via email, website form, or fax. The Development's tenant selection criteria must state available alternate means of submission and include address, email, or other necessary contact information on the form or its attached leasing criteria.

(k) If the Development has ever been funded via Direct Loan or has HOME Match Units [~~units~~], the Development's written policies and procedures must list at least two methods to contact the Development.

(l) For HOME, HOME ARP, and NHTF Developments as it relates to verifying qualified legal status as required under §10.612 and §10.628 of this title (relating to Verification of Occupant Legal Status for HOME, HOME ARP, and NHTF Developments), the Development's written policies and procedures must include:

(1) For an existing tenant household that has not been verified for legal status, the Owner must initiate a household's eligible legal status at least 90 days prior to lease renewal. If an existing tenant household is unable to be verified or results are inconclusive based on the results of the verification process, the Owner must provide written notice within two business days of when that determination is made and at least 60 days prior to lease renewal, during which the tenant household may seek to obtain adequate documentation or correct status with applicable agencies. Such notice must meet the criteria in paragraph (3) of this subsection. If upon receipt of further documentation from the household, the household still is unable to be verified or the household has not signed the required attestation, the Owner must provide the household with at least 30 days notice of nonrenewal.

(2) If a new applicant household is unable to be verified or results are inconclusive based on the results of the verification process, the Owner must provide written notice to the applicant within two business days of the determination and such notice must meet the criteria in paragraph (3) of this subsection. In response to the notice, if the household seeks to appeal, or seeks to correct records, the Owner must allow the household 30 days from the date of notification before seeking to reverify the household. Unless a federal program requires another method for Waiting List Management, the Owner may elect to hold the Unit vacant or must place that applicant household at the top of the Waiting List and proceed to the next applicant on the Waiting List. The policies and procedures must describe how the Waiting List will be handled, and if holding a Unit vacant, the procedures must specify the number of days a Unit will be held. The policies and procedures must denote if an extension beyond 30 days at the top of the Waiting List will be permitted and under what circumstances. Additionally, if another federal program requires a different method of Waiting List Management, those requirements must be available for review by the Department or must be reviewed by the Department (if required by programmatic requirements).

(3) Notice to a household that is unable to be verified or has received inconclusive results must:

(A) state the results received from SAVE;

(B) state whether any additional documentation or information is required to be able to be successfully verified, or to contest or cure the result;

(C) provide the household with the information necessary to contact the Department of Homeland Security (DHS) to correct their immigration status;

(D) notify the applicant household that they may seek correction of records with any agency that issued or maintains records relevant to verification; and

(E) notify the household of their appeal rights.

(4) Appeals. Owners shall establish a written procedure to address an applicant's or tenant's appeal of a determination. The procedure shall at a minimum include:

(A) An investigation and final decision, completed within 10 days of appeal receipt, by the Owner or Management Company; and

(B) If after a Management Company or Owner determination has been made, an appeal may be submitted to the Department under §1.7 of this title (relating to Appeals Process).

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 May 7, 2026.

TRD-202601943
Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 475-3959

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TITLE 16. ECONOMIC REGULATION

PART 2. PUBLIC UTILITY COMMISSION OF TEXAS

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS

SUBCHAPTER J. WHOLESALE WATER OR SEWER SERVICE

16 TAC §§24.307, 24.309, 24.311

The Public Utility Commission of Texas (commission) proposes amendments to §24.307 relating to Commission's Review of Petition or Appeal Concerning Wholesale Rate, §24.309 relating to Evidentiary Hearing on Public Interest, and §24.311 relating to Determination of Public Interest. This proposed rule will implement Texas Water Code §12.013 as revised by Senate Bill (SB) 997 during the Texas 87th Regular Legislative Session, which establishes that a party adversely affected by a public interest determination may appeal the decision to a court of proper jurisdiction. The amended rules will allow the commission to make a determination as to whether the protested rate is charged under a contract and allow the commission to consider cost of service evidence when evaluating whether a wholesale seller's rate is in the public interest.

Growth Impact Statement

The agency provides the following governmental growth impact statement for the proposed rule as required by Texas Government Code §2001.0221. The agency has determined that for

each year of the first five years that the proposed rule is in effect, the following statements will apply:

(1) the proposed rule will not create a government program and will not eliminate a government program;

(2) implementation of the proposed rule will not require the creation of new employee positions and will not require the elimination of existing employee positions;

(3) implementation of the proposed rule will not require an increase and will not require a decrease in future legislative appropriations to the agency;

(4) the proposed rule will not require an increase and will not require a decrease in fees paid to the agency;

(5) the proposed rule will not create a new regulation;

(6) the proposed rule will not expand, limit, or repeal an existing regulation;

(7) the proposed rule will not change the number of individuals subject to the rule's applicability; and

(8) the proposed rule will not affect this state's economy.

Fiscal Impact on Small and Micro-Businesses and Rural Communities

There is no adverse economic effect anticipated for small businesses, micro-businesses, or rural communities as a result of implementing the proposed rule. Accordingly, no economic impact statement or regulatory flexibility analysis is required under Texas Government Code §2006.002(c).

Takings Impact Analysis

The commission has determined that the proposed rule will not be a taking of private property as defined in chapter 2007 of the Texas Government Code.

Fiscal Impact on State and Local Government

Iliana De La Fuente, Attorney, Rules and Projects, has determined that for the first five-year period the proposed rule is in effect, there will be no fiscal implications for the state or for units of local government under Texas Government Code §2001.024(a)(4) as a result of enforcing or administering the sections.

Public Benefits

Ms. De La Fuente has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the amended rules will be a clarification of the commission's process and authority for review of wholesale water rates. There will be no probable economic cost to persons required to comply with the rule under Texas Government Code §2001.024(a)(5).

Local Employment Impact Statement

For each year of the first five years the proposed section is in effect, there should be no effect on a local economy; therefore, no local employment impact statement is required under Texas Government Code §2001.022.

Costs to Regulated Persons

Texas Government Code §2001.0045(b) does not apply to this rulemaking because the commission is expressly excluded under subsection §2001.0045(c)(7).

Public Hearing

The commission staff will conduct a public hearing on this rulemaking if requested in accordance with Texas Government Code §2001.029. The request for a public hearing must be received by July 9, 2026. If a request for public hearing is received, commission staff will file in this project a notice of hearing.

Public Comments

Interested persons may file comments electronically through the interchange on the commission's website or by submitting a paper copy to Central Records, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326. Comments must be filed by July 9, 2026. Comments should be organized in a manner consistent with the organization of the proposed rules. The commission also requests information related to the costs, benefits, or effects of the proposed rule, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The commission will consider these comments in deciding whether to modify the proposed rules on adoption. All comments should refer to Project Number 53981.

In addition to comments on the proposed rule text, the commission requests comments on the following question concerning the proposed rules:

To what extent, if any, should an evidentiary hearing held in accordance with proposed §24.307(d) be eligible for merger with either an evidentiary hearing on public interest held in accordance with §§24.307(b) and 24.309(a) or a consolidated evidentiary hearing on public interest and cost of service held in accordance with §24.309(d)? If parties should be allowed to merge these evidentiary hearings into a consolidated evidentiary hearing, how should the commission modify the rule to provide that optionality? Please provide recommended language or redlines of the proposed rule, including any eligibility prerequisites, procedural requirements, or other criteria or considerations.

Responses to the above question are within the scope of this rulemaking proceeding, and the commission will consider these responses in deciding whether to modify the proposed rules on adoption.

Each set of comments should include a standalone executive summary as the last page of the filing. This executive summary must be clearly labeled with the submitting entity's name and should include a bulleted list covering each substantive recommendation made in the comments.

Statutory Authority

These amendments are proposed under Texas Water Code §12.013, which provides grants the commission rate-fixing power over water furnished by a political subdivision to another political subdivision on a wholesale basis; Texas Water Code §13.0431(f) which requires the commission to determine that the amount charged under the contract harms the public interest prior to holding a hearing on just and reasonable amounts to be charged under the contract. Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by the Texas Water Code that is necessary and convenient to the exercise of that power and jurisdiction; and Texas Water Code §13.041(b), which provides the commission with the authority to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction.

Cross Reference to Statute: Texas Water Code §12.013; §13.041(a); and §13.041(b).

§24.307. Commission's Review of Petition or Appeal Concerning Wholesale Rate.

(a) When a petition or appeal is filed, the commission must [~~shall~~] determine within 30 days of the filing of the petition or appeal whether the petition contains all of the information required by this subchapter. For purposes of this section only, the initial review of probable grounds must [~~shall~~] be limited to a determination whether the petitioner has met the requirements §24.305 of this title (relating to Petition or Appeal). If the commission determines that the petition or appeal does not meet the requirements of §24.305 of this title, the commission must [~~shall~~] inform the petitioner of the deficiencies within the petition or appeal and allow the petitioner the opportunity to correct these deficiencies. If the commission determines that the petition or appeal does meet the requirements of §24.305 of this title, the commission must [~~shall~~] forward the petition or appeal to the State Office of Administrative Hearings for an evidentiary hearing.

(b) For the purposes of this subchapter, a rate is charged under a written contract if the decision establishing the rate was subject to the terms of a written contract executed between the seller and buyer.

(c) [~~(b)~~] For a petition or appeal to review a rate that is charged under [~~pursuant to~~] a written contract, the commission will forward the petition or appeal to the State Office of Administrative Hearings to conduct an evidentiary hearing on public interest.

(d) [~~(c)~~] For a petition or appeal to review a rate that is not charged under [~~pursuant to~~] a written contract, the commission will forward the petition or appeal to the State Office of Administrative Hearings to conduct an evidentiary hearing on the rate.

(e) [~~(d)~~] If the seller and buyer do not agree that the protested rate is charged under [~~pursuant to~~] a written contract, the commission will forward the petition or appeal to the State Office of Administrative Hearings to conduct an evidentiary hearing to determine whether the rate is charged under the contract. The administrative law judge will prepare a proposal for decision with proposed findings of fact and conclusions of law concerning whether the protested rate is charged under a contract and must submit this recommendation to the commission. [~~administrative law judge shall abate the proceedings until the contract dispute over whether the protested rate is part of the contract has been resolved by a court of proper jurisdiction.~~]

§24.309. Evidentiary Hearing on Public Interest.

(a) If the commission forwards a petition to the State Office of Administrative Hearings pursuant to §24.307(a) and (c) [~~(b)~~] of this title (relating to Commission's Review of Petition or Appeal), the State Office of Administrative Hearings must [~~shall~~] conduct an evidentiary hearing on public interest to determine whether the protested rate adversely affects the public interest.

(b) Prior to the evidentiary hearing on public interest, discovery must [~~shall~~] be limited to matters relevant to the evidentiary hearing on public interest.

(c) The administrative law judge must [~~shall~~] prepare a proposal for decision [~~and order~~] with proposed findings of fact and conclusions of law concerning whether the protested rate adversely affects the public interest, and must [~~shall~~] submit this recommendation to the commission.

(d) The seller and buyer may agree to consolidate the evidentiary hearing on public interest and the evidentiary hearing on cost of service. If the seller and buyer [~~so~~] agree to consolidation, then the administrative law judge must [~~shall~~] hold a consolidated evidentiary hearing.

(e) A party adversely affected by a determination in a hearing under this section may appeal the decision to a court of proper jurisdiction. The administrative law judge will abate proceedings on the contract until the appeal is resolved.

§24.311. Determination of Public Interest.

(a) The commission must [~~shall~~] determine that the protested rate adversely affects the public interest if after the evidentiary hearing on public interest the commission concludes at least one of the following public interest criteria have been violated:

(1) the protested rate impairs the seller's ability to continue to provide service, based on the seller's financial integrity and operational capability;

(2) the protested rate impairs the purchaser's ability to continue to provide service to its retail customers, based on the purchaser's financial integrity and operational capability;

(3) the protested rate evidences the seller's abuse of monopoly power in its provision of water or sewer service to the purchaser. In making this inquiry, the commission must [~~shall~~] weigh all relevant factors. The factors may include:

(A) the disparate bargaining power of the parties, including the purchaser's alternative means, alternative costs, environmental impact, regulatory issues, and problems of obtaining alternative water or sewer service;

(B) the seller's failure to reasonably demonstrate the changed conditions that are the basis for a change in rates;

(C) the seller changed the computation of the revenue requirement or rate from one methodology to another;

(D) where the seller demands the protested rate under [~~pursuant to~~] a contract, whether other valuable consideration is received by a party incident to the contract;

(E) incentives necessary to encourage regional projects or water conservation measures;

(F) the seller's obligation to meet federal and state wastewater discharge and drinking water standards;

(G) the rates charged in Texas by other sellers of water or sewer service for resale; or

(H) the seller's rates for water or sewer service charged to its retail customers, compared to the retail rates the purchaser charges its retail customers as a result of the wholesale rate the seller demands from the purchaser; or

(4) the protested rate is unreasonably preferential, prejudicial, or discriminatory, compared to the wholesale rates the seller charges other wholesale customers.

(b) The commission may consider all relevant factors in determining whether [~~shall not determine whether~~] the protested rate adversely affects the public interest, including [~~based on~~] an analysis of the seller's cost of service.

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 May 7, 2026.

TRD-202601938

Katelyn Lewis
Projects Coordinator
Public Utility Commission of Texas
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 936-7044

PART 4. TEXAS DEPARTMENT OF LICENSING AND REGULATION

CHAPTER 75. AIR CONDITIONING AND REFRIGERATION

The Texas Department of Licensing and Regulation (Department) proposes amendments to existing rules at 16 Texas Administrative Code (TAC), Chapter 75, §§75.10, 75.80, 75.110, 75.121, and 75.124; and proposes the repeal of existing rules at §75.28, regarding the Air Conditioning and Refrigeration Contractors program. These proposed changes are referred to as the "proposed rules."

EXPLANATION OF AND JUSTIFICATION FOR THE RULES

The rules under 16 TAC, Chapter 75, implement Texas Occupations Code, Chapter 1302, Air Conditioning and Refrigeration.

The proposed rules update the applicable codes adopted by reference for air conditioning and refrigeration contracting from the 2021 editions to the 2024 editions of the International Residential Code, International Mechanical Code, International Fuel Gas Code, and Uniform Mechanical Code, effective September 1, 2026. These updates are necessary to align the Department's rules with current nationally recognized standards and provide a transition date for implementation.

The proposed rules remove obsolete provisions related to the "certified technician (legacy)" designation to conform the rules to current statutory requirements under Texas Occupations Code, Chapter 1302. The proposed rules also clarify examination eligibility requirements for certified technicians and update references to Texas Education Agency rules that have been reorganized.

Four-Year Rule Review Changes

The proposed rules include changes as a result of the required four-year rule review conducted under Texas Government Code §2001.039. The Department conducted the required rule review of the rules under 16 TAC Chapter 75, and the Commission readopted the rule chapter in its entirety and in its current form. (Proposed Rule Review, 47 TexReg 5344, September 2, 2022. Adopted Rule Review, 48 TexReg 1644, March 24, 2023.)

In response to the Notice of Intent to Review that was published, the Department received public comments from six interested parties regarding Chapter 75, but none of those comments relate to the rules in this proposal. A comment by the Associated Air Balance Council (AABC) asserts that the definitions of "system testing" and "system balancing" in §75.10 are vague and may cause confusion regarding licensure requirements. AABC contends that companies performing only testing and balancing should be exempt from licensure. The Department did not include any changes to the proposed rules as a result of that comment because the rules clearly distinguish between "system testing," which may be performed without a contractor license, and "system balancing," which requires a contractor license. System balancing involves adjusting or regulating air distribution equipment, which constitutes service or modification of an air conditioning system and therefore falls within the statutory definition of air conditioning and refrigeration contracting. The current rules are consistent with the statute and provide a reasonable and enforceable boundary between exempt diagnostic activities and licensed mechanical work. Accordingly, a rule amendment is not warranted.

The proposed rules include changes identified by Department staff during the rule review process. These changes include removing obsolete provisions related to the "certified technician (legacy)" designation, clarifying examination eligibility requirements for certified technicians, and updating references to Texas Education Agency rules that have been reorganized.

Advisory Board Recommendations

The proposed rules were presented to and discussed by the Air Conditioning and Refrigeration Contractors Advisory Board at its meeting on April 30, 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

The proposed rules amend §75.10, Definitions, by removing the definition for "certified technician (legacy)". This term was created to facilitate the changes in law made by House Bill (HB) 3029, 85th Legislature, Regular Session (2017), and it is no longer necessary because all technician certificates are now issued under Texas Occupations Code §1302.5055. The remaining definitions are renumbered accordingly.

The proposed rules repeal §75.28, Registered Technician--Certified Technician (Legacy) Designation. This section applies to applicants for a certified technician designation under Texas Occupations Code §1302.508, which was repealed by HB 3029, effective September 1, 2017. The section is no longer necessary because all technician certificates are now issued under Texas Occupations Code §1302.5055.

The proposed rules amend §75.80, Fees. Subsection (b)(3) is amended to reflect that the Department issues only licenses to contractors, not certificates, permits, or registrations. Existing subsection (c)(5) is repealed because it relates only to the obsolete "certified technician (legacy) designation." Existing subsection (c)(6) is relabeled to become new subsection (c)(5) and is amended to reflect that the Department issues only certificates or registrations to technicians, not licenses or permits.

The proposed rules amend §75.110, Applicable Codes. Subsection (a) is amended to state that, effective September 1, 2026, the codes adopted to provide the rules of practice for air conditioning and refrigeration contracting are updated from the 2021 editions to the 2024 editions of the International Residential Code, the International Mechanical Code, the International Fuel Gas Code, and the Uniform Mechanical Code. These updates align the Department's regulations with these currently recognized national standards. Subsection (b) is amended to provide the transition date for the code updates in subsection (a).

The proposed rules amend §75.121, Certified Technician--Examinations, to clarify that a person must satisfy only the requirements of Texas Occupations Code §1302.5036(1) and (2) prior to taking the certified technician examination.

The proposed rules amend §75.124, Career and Technology Education Program Requirements, to update references to rules of the Texas Education Agency that were reorganized into a different rule chapter, effective August 1, 2025 (50 TexReg 4421).

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 also determined that for each year of the first five years the proposed rules are in effect, there is no estimated increase or loss in revenue to the state or local government as a result of enforcing or administering the proposed rules.

LOCAL EMPLOYMENT IMPACT STATEMENT

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

PUBLIC BENEFITS

Mr. Couvillon also has determined that for each year of the first five-year period the proposed rules are in effect, the public benefit will be increased safety for Texans and those visiting the state. The adoption of the applicable 2024 codes maintains consistent standards for all air conditioning and refrigeration work in Texas, while allowing for improvements in efficiency and energy savings. It enables stakeholders to keep pace with technical advances within the industry, while maintaining or increasing public safety, thereby establishing a minimum standard for air conditioning and refrigeration work and services, which affects all consumers, home and building owners, and building officials in Texas. The other improvements and clarifications to the proposed rules will allow license applicants, license holders and the public to better understand the rules and the requirements and responsibilities contained in the rules.

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. The proposed rules repeal an existing regulation by removing the "certified technician (legacy)" designation.

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/ACR_Rule_Making; by facsimile to (512) 475-3032; or by mail to Shamica Mason, 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.*

16 TAC §§75.10, 75.80, 75.110, 75.121, 75.124

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapters 51 and 1302, 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 1302. No other statutes, articles, or codes are affected by the proposed rules.

§75.10. Definitions.

The following words and terms have the following meanings as used in this chapter:

(1) Act--Texas Occupations Code, Chapter 1302, Air Conditioning and Refrigeration Contractors.

(2) Advertising or Advertisement--Any commercial message which promotes the services of an air conditioning and refrigeration contractor.

(3) Air conditioning and refrigeration subcontractor--A person or firm who contracts with a licensed air conditioning contractor for a portion of work requiring a license under the Act. The subcontractor contracts to perform a task according to his own methods, and is subject to the contractor's control only as to the end product or final result of his work.

(4) Air conditioning or heating unit--A stand-alone system with its own controls that conditions the air for a specific space and does not require a connection to other equipment, piping, or ductwork in order to function.

(5) Assumed name--As defined in the Business and Commerce Code, Title 5, Chapter 71.

(6) Biomedical Remediation--The treatment of ducts, plenums, or other portions of air conditioning or heating systems by applying disinfectants, anti-fungal substances, or products designed to reduce or eliminate the presence of molds, mildews, fungi, bacteria, or other disease-causing organisms.

(7) Biomedical Testing--The inspection and sampling of ducts, plenums, or other portions of air conditioning or heating systems to test for the presence of molds, mildews, fungi, bacteria, or other disease-causing organisms. The term does not include performing any type of treatment or remediation.

(8) Boiler--As defined in Chapter 755 of the Health and Safety Code.

(9) Business affiliation--The business organization to which a licensee elects to assign his license.

(10) Career and technology education program--An educational program, defined in §1302.5037(a)(1) of the Act, focused on air conditioning and refrigeration and:

(A) offered by a public high school under Subchapter F, Chapter 29, Education Code; or

(B) offered by a private high school or institution of higher education and determined by the department to be similar to a program described by subparagraph (A).

(11) Certification training program--A program of education and training, defined in §1302.002(5-c)(B) of the Act and further addressed in §75.122, accepted or approved by the department and consisting of at least 2,000 hours of a combination of classroom instruction and supervised practical experience.

(12) Certification training program provider--A person providing or offering to provide a certification training program.

(13) Certified technician--A person granted an air conditioning and refrigeration technician certification by the department pursuant to §75.120, and §1302.5036 and §1302.5055 of the Act.

[~~(14) Certified technician (legacy)--A person granted a certified technician designation by the department pursuant to §75.28, and §1302.508 of the Act, as continued by House Bill 3029 §18, 85th Leg., R.S. (2017).~~]

(14) [~~(15)~~] Cheating--Attempting to obtain, obtaining, providing, or using answers to examination questions by deceit, fraud, dishonesty, or deception.

(15) [~~(16)~~] Cryogenics--Refrigeration that deals with producing temperatures ranging from:

(A) -250 degrees F to Absolute Zero (-459.69 degrees F);

(B) -156.6 degrees C to -273.16 degrees C;

(C) 116.5 degrees K to 0 degrees K; or

(D) 209.69 degrees R to 0 degrees R.

(16) [~~(17)~~] Department--The Texas Department of Licensing and Regulation.

(17) [~~(18)~~] Design of a system--Making decisions on the necessary size of equipment, number of grilles, placement and size of supply and return air ducts, and any other requirements affecting the ability of the system to perform the function for which it was designed.

(18) [~~(19)~~] Direct supervision--Directing and verifying the design, installation, construction, maintenance, service, repair, alteration, or modification of an environmental air conditioning, refrigeration, process cooling, or process heating product or equipment to assure mechanical integrity. Verification may include, but is not limited to:

(A) personal inspection of a job;

(B) reviewing a checklist or report completed by a person who performed some or all of the work on a job; or

(C) reviewing an inspection report of the job made by a municipal mechanical inspector.

(19) [~~(20)~~] Employee--An individual who performs tasks assigned by an employer, and who is subject to the employer's control in all aspects of job performance, except that a licensed air conditioning and refrigeration contractor remains responsible for all air conditioning work he or she performs. An employee's wages are subject to deduction of federal income taxes and social security payments. An employee may be full time, part time, or seasonal. Simultaneous employment with a temporary employment agency, a staff leasing agency, or other employer does not affect an employee's status for the purpose of this chapter.

(20) [~~(21)~~] Executive Director--The executive director of the department.

(21) [~~(22)~~] Full time employee--An employee who is present on the job either 40 hours a week, or at least 80% of the time the company is offering air conditioning and refrigeration contracting services to the public, whichever is less.

(22) [~~(23)~~] In-person supervision--Supervision of air conditioning and refrigeration maintenance work provided while physically present at the same location as the person being supervised.

(23) [~~(24)~~] Institution of higher education--An "institution of higher education" or a "private or independent institution of higher education," as those terms are defined by §61.003, Education Code.

(24) [(25)] Licensee--An individual holding a contractor's license of the class and endorsement appropriate to the work performed under the Act and this chapter.

(25) [(26)] Offering to perform--Making a written or oral proposal, contracting in writing or orally to perform air conditioning and refrigeration work, or advertising in any form through any medium that a person or business entity is an air conditioning and refrigeration contractor, or that implies in any way that a person or business entity is available to contract for or perform air conditioning and refrigeration work.

(26) [(27)] Permanent office--Any location, which must be identified by a street address, or other data identifying a rural location, from which a person or business entity conducts the business of an air conditioning and refrigeration contracting company. A location not open to the public, or not located within the state, may serve as a permanent office so long as the department and consumers have access to the licensee required by §1302.252 of the Act to be employed in each permanent office.

(27) [(28)] Portable--Able to be easily transported and readily used as an entire system, without need for dismantling or assembly in whole or in part, or addition of parts, components, or accessories.

(28) [(29)] Primary process medium--A refrigerant or other primary process fluid that is classified in the current ANSI/ASHRAE Standard 34 as Safety Group A1, A2, B1, or B2. Safety Groups A3 and B3 refrigerants are specifically excluded.

(29) [(30)] Proper installation, and service--Installing, servicing, repairing, and maintaining air conditioning and refrigeration equipment in accordance with:

(A) applicable municipal ordinances and codes adopted by a municipality where the installation occurs;

(B) the applicable edition of the Uniform Mechanical Code as adopted under §75.110; or the applicable edition of the International Mechanical Code as adopted under §75.110 and International Fuel Gas Code, in areas where no code has been adopted; or the International Residential Code, as applicable;

(C) the manufacturer's specifications and instructions; and

(D) all requirements for safety and the proper performance of the function for which the equipment or product was designed.

(30) [(31)] Registrant--A person who is registered with the department as a technician under the Act and this chapter.

(31) [(32)] Repair work--Diagnosing and repairing problems with air conditioning, commercial refrigeration, or process cooling or heating equipment, and remedying or attempting to remedy the problem. Repair work does not mean simultaneous replacement of the condensing unit, furnace, and evaporator coil.

(32) [(33)] Self-contained--Constructed so that all required parts, components, and accessories of the air conditioning or heating system are included within the same enclosure.

(33) [(34)] System balancing--A process of adjusting, regulating, or proportioning air distribution equipment or any activity beyond system testing.

(34) [(35)] System testing--Assessing or measuring the performance of the air distribution equipment or air conditioning and refrigeration duct system through equipment that can be attached externally to the system. Testing does not include opening, adjusting, or balancing equipment or ducts or any activity beyond assessing the system through the use of external equipment. Testing does not include testing fire and smoke dampers.

(35) [(36)] Total replacement of a system--Simultaneous replacement of the condensing unit, the evaporator coil, the furnace, if applicable, and the air handling unit, or replacement of a package system.

§75.80. Fees.

(a) All application fees are non-refundable.

(b) Air Conditioning and Refrigeration Contractors.

(1) Contractor license application fee is $115.

(2) Contractor license renewal application fee is $65.

(3) Revised/Duplicate License [License/Certificate/Permit/Registration]--$25.

(4) The application fee for adding an endorsement to an existing contractor license is $25.

(c) Air Conditioning and Refrigeration Technicians.

(1) Registered technician application fee is $20.

(2) Registered technician renewal application fee is $20.

(3) Certified technician application fee is $50.

(4) Certified technician renewal application fee is $35.

[(5) Certified technician (legacy) designation application fee is $15.]

(5) [(6)] Revised/Duplicate Certificate/Registration [License/Certificate/Permit/Registration]--$15.

(d) The application fee for approval or renewal of a certification training program is $90.

(e) The fee for a determination under §75.125 is $90.

(f) The department will waive the renewal fee for an air conditioning and refrigeration contractor or certified technician who provides proof, in a manner prescribed by the department, of having served as an instructor of a course within a career and technology education program for at least one academic semester.

(g) Late renewal fees for licenses and registrations issued under this chapter are provided under §60.83.

§75.110. Applicable Codes.

(a) Effective September 1, 2026 [2024], the commission adopts the following applicable codes as referenced in the Act and this chapter:

(1) 2024 [2021] International Residential Code;

(2) 2024 [2021] International Mechanical Code;

(3) 2024 [2021] International Fuel Gas Code; and

(4) 2024 [2021] Uniform Mechanical Code.

(b) The 2021 [2018] codes shall remain in effect through August 31, 2026 [2024]. All air conditioning and refrigeration work permitted or started before September 1, 2026 [2024], may be completed in accordance with the 2021 [2018] code editions.

§75.121. Certified Technician--Examinations.

(a) A person must satisfy the requirements of Texas Occupations Code §1302.5036(1) and (2) [§1302.5036], based on the date the application is filed with the department, prior to taking an examination.

(b) A passing grade is 70%.

(c) A person taking an examination must comply with the department's examination requirements under [~~under,~~] Chapter 60, Subchapter E of this title.

(d) Cheating on an examination is grounds for denial, suspension, or revocation of a license and/or an administrative penalty.

§75.124. Career and Technology Education Program Requirements.

(a) Sections 1302.5036 and 1302.5037 of the Act provide a pathway to an air conditioning and refrigeration technician certification for persons who complete a career and technology education program. Pursuant to §1302.5037, the department is required to:

(1) establish standards for the essential knowledge and skills of career and technology education programs offered in Texas public high schools; and

(2) determine on a case-by-case basis whether educational programs offered by private high schools and institutions of higher education are similar to career and technology education programs offered in Texas public high schools.

(b) A career and technology education program must be designed to ensure that students obtain the essential knowledge and skills set out in the following cross-referenced rules of the Texas Education Agency. The minimum number of academic credits required for each course is also noted. Students enrolled in courses identified in paragraphs (2) and (3) below must be provided hands-on practical instruction, including interactive lab work, for at least 80 percent of total classroom time. A career and technology education program may not allow students to obtain credit by examination.

(1) Principles of Construction; Texas Administrative Code Title 19, Part 2, Chapter 127 [~~130~~], Subchapter D [~~B~~], §127.95 [~~§130.43~~]; one credit.

(2) Heating, Ventilation, and Air Conditioning and Refrigeration Technology I; Texas Administrative Code Title 19, Part 2, Chapter 127 [~~130~~], Subchapter D [~~B~~], §127.111 [~~§130.59~~]; one credit.

(3) Heating, Ventilation, and Air Conditioning and Refrigeration Technology II; Texas Administrative Code Title 19, Part 2, Chapter 127 [~~130~~], Subchapter D [~~B~~], §127.112 [~~§130.60~~]; two credits. Instruction regarding sheet metal and fiberglass ductwork, described in §127.112(d)(13) [~~§130.60(c)(14)~~] and (14) [~~(15)~~], is optional.

(4) Practicum in Construction Technology and Extended Practicum in Construction Technology; Texas Administrative Code Title 19, Part 2, Chapter 127 [~~130~~], Subchapter D [~~B~~], §127.147 [~~§130.64~~] and §127.148 [~~§130.69~~]; three total credits.

(A) At least 80 percent of a student's time in a practicum must be spent outside of the classroom and working under the supervision of a department-licensed air conditioning and refrigeration contractor.

(B) A high school or institution of higher education offering a career and technology education program under this section must implement procedures allowing a student to earn course credit for work performed outside of the classroom under the supervision of a department-licensed air conditioning and refrigeration contractor.

(c) A career and technology education program will not be recognized by the department unless it is instructed by:

(1) a department-licensed air conditioning and refrigeration contractor; or

(2) a certified technician whose certification was issued on or after September 1, 2018.

(d) A career and technology education program offered by an institution of higher education may not be more stringent than a program offered by a public high school.

(e) The department will recognize an educational program offered by a private high school or institution of higher education as a "career and technology education program" for purposes of §75.120 if the department determines that the educational program substantially complies with the requirements of this section.

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 May 11, 2026.

TRD-202601993
Deanne Rienstra
General Counsel
Texas Department of Licensing and Regulation
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 463-7750

16 TAC §75.28

STATUTORY AUTHORITY

The proposed repeal is proposed under Texas Occupations Code, Chapters 51 and 1302, 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 repeal are those set forth in Texas Occupations Code, Chapters 51 and 1302. No other statutes, articles, or codes are affected by the proposed repeal.

§75.28. Registered Technician--Certified Technician (Legacy) Designation.

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 May 11, 2026.

TRD-202601994
Deanne Rienstra
General Counsel
Texas Department of Licensing and Regulation
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 463-7750

TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 151. COMMISSIONER'S RULES CONCERNING PASSING STANDARDS FOR EDUCATOR CERTIFICATION EXAMINATIONS

19 TAC §151.1001

The Texas Education Agency (TEA) proposes an amendment to §151.1001, concerning passing standards for educator certification exams. The proposed amendment would specify the satisfactory scores for the educator certification examinations for Bilingual Education Spanish Supplemental.

BACKGROUND INFORMATION AND JUSTIFICATION: Texas Education Code (TEC), §21.048(a), requires the commissioner to establish the satisfactory levels of performance required on educator certification examinations and requires a satisfactory level of performance on each core subject covered by an examination. The proposed passing standards were established by subject-matter expert stakeholder committee groups.

Section 151.1001 specifies the passing standards for all pedagogical and content certification examinations as approved by the commissioner. The proposed amendment to Figure: 19 TAC §151.1001(b)(13) would introduce passing standards for the Bilingual Education Spanish Supplemental Texas Examinations of Educator Standards (TExES) examination.

The average passing standard is expressed as an average raw cut score of all active forms of a test or the minimum proficiency level. It is critical to note that the actual raw cut scores may vary slightly from form to form to balance the overall difficulty of the test yet maintain consistency in scoring.

FISCAL IMPACT: Kelvey Oeser, deputy commissioner for educator and systems support, 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 including passing standards for new examinations.

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. Oeser 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 provide clarity to educators and others regarding the required passing standards for Texas certification examinations. There is no anticipated economic cost to persons who are required to comply with the proposal.

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

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

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins May 22, 2026, and ends June 22, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on May 22, 2026. A form for submitting public comments is available on the TEA website at https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/.

STATUTORY AUTHORITY. The amendment is proposed under TEC, §21.048(a), which requires the commissioner of education to determine the level of performance considered to be satisfactory on educator certification examinations and further authorizes the commissioner to require a satisfactory level of performance on each core subject covered by an examination.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §21.048(a).

§151.1001. Passing Standards.

(a) As required by the Texas Education Code, §21.048(a), the commissioner of education shall determine the satisfactory level of performance for each educator certification examination and require a satisfactory level of performance on each core subject covered by an examination. The figures in this section identify the passing standards established by the commissioner for educator certification examinations.

(b) The figures in this subsection identify the passing standards established by the commissioner for classroom teacher examinations.

(1) The figure in this paragraph identifies the passing standards for early childhood through Grade 6 examinations.
Figure: 19 TAC §151.1001(b)(1) (No change.)

(2) The figure in this paragraph identifies the passing standards for Grades 4-8 examinations.
Figure: 19 TAC §151.1001(b)(2) (No change.)

(3) The figure in this paragraph identifies the passing standards for secondary mathematics and science examinations.
Figure: 19 TAC §151.1001(b)(3) (No change.)

(4) The figure in this paragraph identifies the passing standards for secondary English language arts and social studies examinations.
Figure: 19 TAC §151.1001(b)(4) (No change.)

(5) The figure in this paragraph identifies the passing standards for speech and journalism examinations.
Figure: 19 TAC §151.1001(b)(5) (No change.)

(6) The figure in this paragraph identifies the passing standards for fine arts examinations.
Figure: 19 TAC §151.1001(b)(6) (No change.)

(7) The figure in this paragraph identifies the passing standards for health and physical education examinations.
Figure: 19 TAC §151.1001(b)(7) (No change.)

(8) The figure in this paragraph identifies the passing standards for computer science and technology applications examinations.
Figure: 19 TAC §151.1001(b)(8) (No change.)

(9) The figure in this paragraph identifies the passing standards for career and technical education examinations.
Figure: 19 TAC §151.1001(b)(9) (No change.)

(10) The figure in this paragraph identifies the passing standards for bilingual examinations.
Figure: 19 TAC §151.1001(b)(10) (No change.)

(11) The figure in this paragraph identifies the passing standards for languages other than English (LOTE) examinations.
Figure: 19 TAC §151.1001(b)(11) (No change.)

(12) The figure in this paragraph identifies the passing standards for special education examinations.
Figure: 19 TAC §151.1001(b)(12) (No change.)

(13) The figure in this paragraph identifies the passing standards for supplemental examinations.
Figure: 19 TAC §151.1001(b)(13)
[~~Figure: 19 TAC §151.1001(b)(13)~~]

(14) The figure in this paragraph identifies the passing standards for pedagogy and professional responsibilities examinations.
Figure: 19 TAC §151.1001(b)(14) (No change.)

(15) The figure in this paragraph identifies the passing standards for content certification examinations.
Figure: 19 TAC §151.1001(b)(15) (No change.)

(c) The figure in this subsection identifies the passing standards established by the commissioner for student services examinations.
Figure: 19 TAC §151.1001(c) (No change.)

(d) The figure in this subsection identifies the passing standards established by the commissioner for administrator examinations.
Figure: 19 TAC §151.1001(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.

Filed with the Office of the Secretary of State on May 11, 2026.

TRD-202601979
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 475-1497

TITLE 22. EXAMINING BOARDS

PART 23. TEXAS REAL ESTATE COMMISSION

CHAPTER 535. GENERAL PROVISIONS

SUBCHAPTER D. THE COMMISSION

22 TAC §535.46

The Texas Real Estate Commission (TREC) proposes amendments to 22 TAC §535.46, Broker Responsibility Advisory Committee, in Chapter 535, General Provisions.

Section 2110.002 of the Texas Government Code requires that the composition of an advisory committee that advises a state agency regarding an industry or occupation regulated or directly affected by the agency must provide a balanced representation between: (i) the industry or occupations; and (ii) consumers of services provided by the agency, industry, or occupation. To help ensure that balanced representation, the proposed changes replace two of the broker member positions with public member positions and corresponding changes are made throughout the rule.

The Commission's Executive Committee recommends the amendments be proposed.

Abby Lee, General Counsel, has determined that for the first five-year period the proposed amendments are in effect there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no adverse economic effect anticipated for small businesses, micro-businesses, rural communities, or local or state employment as a result of implementing the proposed amendments. There is no significant economic cost anticipated for persons who are required to comply with the proposed new rule. Accordingly, no Economic Impact Statement or Regulatory Flexibility Analysis is required.

Ms. Lee also has determined that for each year of the first five years the section as proposed is in effect, the public benefit anticipated as a result of enforcing the section will be the more balanced committee representation.

For each year of the first five years the proposed amendments are in effect, the amendments will not:

- create or eliminate a government program;

- require the creation of new employee positions or the elimination of existing employee positions;

- require an increase or decrease in future legislative appropriations to the agency;

- require an increase or decrease in fees paid to the agency;

- create a new regulation;

- expand, limit or repeal an existing regulation;

- increase or decrease the number of individuals subject to the rule's applicability;

- positively or adversely affect the state's economy.

The Commission requests comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposal or any other interested person, which may be submitted through the online comment submission form at

https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules, to Abby Lee, General Counsel, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, or via email to general.counsel@trec.texas.gov. The deadline for comments is 30 days after publication in the *Texas Register*.

The amendments are proposed under Texas Occupations Code, §1101.158, which authorizes the Commission to appoint advisory committees to perform functions assigned by the Commission, as well as §1101.151, which authorizes the Commission to adopt and enforce rules necessary to administer Chapters 1101 and 1102.

The statute affected by this proposal is Texas Occupations Code, Chapters 1101. No other statute, code or article is affected by the proposed amendments.

§535.46. Broker Responsibility Advisory Committee.

(a) The Commission establishes a Broker Responsibility Advisory Committee to regularly examine issues surrounding broker responsibility within the real estate industry, make recommendations regarding possible legislative changes associated with broker responsibility, and examine Commission rules related to broker responsibility.

(b) The committee consists of 9 members appointed by the Commission as follows: [~~who must meet the following requirements:~~]

(1) Seven broker members who:

(A) [~~must~~] hold an active real estate broker license issued by the Commission; and

(B) [~~(2)~~] [~~members must~~] have been actively engaged in the practice of brokerage activity for at least five years prior to appointment; and [~~and be actively engaged in that practice.~~]

(2) Two members who represent the public.

(c) The Commission may appoint a non-voting member(s) from the Commission.

(d) Appointments to the committee shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.

(e) Broker members [~~Members~~] of the committee serve staggered four-year terms with terms beginning on January 1. Public members of the committee serve two-year terms with terms beginning January 1.

(f) Notwithstanding subsection (e) of this section, the Commission shall initially appoint nine members as follows:

(1) three members to serve a two-year term to expire on December 31, 2026, regardless of the date the members are appointed;

(2) three members to serve a three-year term to expire on December 31, 2027, regardless of the date the members are appointed; and

(3) three members to serve a four-year term to expire on December 31, 2028, regardless of the date the members are appointed.

(g) A member whose term has expired holds office until the member's successor is appointed. If a vacancy occurs during a member's term, the Commission shall appoint a person to fill the unexpired term.

(h) At a regular meeting in January of each year, the committee shall elect from its members a presiding officer, assistant presiding officer, and secretary.

(i) The Commission may remove a committee member if the member:

(1) does not have the qualifications required by subsection (b) of this section;

(2) cannot discharge the member's duties for a substantial part of the member's term;

(3) is absent from more than half of the regularly scheduled committee meetings that the member is eligible to attend during each calendar year, unless the absence is excused by majority vote of the committee; or

(4) violates Chapter 1101 or Chapter 1102.

(j) If the executive director of the Commission has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the Commission that the potential ground exists.

(k) The validity of an action of the committee is not affected by the fact that it is taken when a ground for removal of a committee member exists.

(l) The committee may meet at the call of a majority of its members. The committee shall meet at the call of the Commission.

(m) A quorum of the committee consists of five members.

(n) The committee shall conduct its meetings in substantial compliance with Robert's Rules of Order.

(o) The secretary of the committee shall work with Commission staff to prepare and approve written minutes of each meeting and submit the minutes for filing with the Commission.

(p) At least twice a year, the presiding officer of the committee shall report on the activities of the committee to the Commission. The committee may submit its written recommendations concerning broker responsibility to the Commission at any time the committee deems appropriate. If the Commission submits a rule to the committee for development, the presiding officer of the committee or the presiding officer's designate shall report to the Commission after each meeting at which the proposed rule is discussed on the committee's consideration of the rule.

(q) The committee is automatically abolished on September 1, 2031, unless the Commission subsequently establishes a different date.

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 May 8, 2026.

TRD-202601973
Abby Lee
General Counsel
Texas Real Estate Commission
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 936-3057

SUBCHAPTER F. REQUIREMENTS FOR EDUCATION PROVIDERS, COURSES AND INSTRUCTORS FOR QUALIFYING EDUCATION

22 TAC §535.62, §535.65

The Texas Real Estate Commission (TREC) proposes amendments to 22 TAC §535.62, Approval of Qualifying Courses; and §535.65, Responsibilities and Operations of Providers of Qualifying Courses, in Chapter 535, General Provisions.

The proposed changes are made as a result of the agency's updated license management system - the REALM Portal. The changes to §535.62 update terminology in subsection (i) for better consistency with current practice and to align language with other rules.

The changes to §535.65 update the requirements for course completion certificates (proposed to be renamed "course completion records" to more accurately capture the type of documents being provided). The REALM Portal will allow for more efficiencies and automation in the processing of qualifying real estate coursework, which currently requires a manual process that is labor intensive. A requirement to include either the student's license number or application number on the course completion record allows this automation to occur. The remaining changes to this rule also are made to align the language with the requirements currently found in §535.75, which deals with provider requirements for continuing education, and to streamline the information required to be provided by education providers to the Commission.

The Commission's Executive Committee recommends the amendments be proposed.

Abby Lee, General Counsel, has determined that for the first five-year period the proposed amendments are in effect there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no adverse economic effect anticipated for small businesses, micro-businesses, rural communities, or local or state employment as a result of implementing the proposed amendments. There is no significant economic cost anticipated for persons who are required to comply with the proposed amendments. Accordingly, no Economic Impact Statement or Regulatory Flexibility Analysis is required.

Ms. Lee also has determined that for each year of the first five years the section as proposed are in effect, the public benefit anticipated as a result of enforcing the section will be greater clarity and consistency in the rules, as well as greater efficiency in agency processes.

For each year of the first five years the proposed amendments are in effect, the amendments will not:

- create or eliminate a government program;

- require the creation of new employee positions or the elimination of existing employee positions;

- require an increase or decrease in future legislative appropriations to the agency;

- require an increase or decrease in fees paid to the agency;

- create a new regulation;

- expand, limit or repeal an existing regulation;

- increase or decrease the number of individuals subject to the rule's applicability;

- positively or adversely affect the state's economy.

The Commission requests comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposal or any other interested person, which may be submitted through the online comment submission form at https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules, to Abby Lee, General Counsel, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, or via email to general.counsel@trec.texas.gov. The deadline for comments is 30 days after publication in the *Texas Register*.

The amendments are proposed under Texas Occupations Code, §1101.151, which authorizes the Texas Real Estate Commission to adopt and enforce rules necessary to administer Chapters 1101 and 1102; and to establish standards of conduct and ethics for its license holders to fulfill the purposes of Chapters 1101 and 1102 and ensure compliance with Chapters 1101 and 1102.

The statutes affected by this proposal are Texas Occupations Code, Chapters 1101 and 1102. No other statute, code or article is affected by the proposed amendments.

§535.62. Approval of Qualifying Courses.

(a) Application for approval of a qualifying course.

(1) For each qualifying course a provider intends to offer, the provider must:

(A) submit the course application and course approval forms, including all materials required using a process acceptable to the Commission; and

(B) pay the fee required by §535.101 or §535.210 of this title.

(2) A provider may file a single application for a qualifying course offered through multiple delivery methods. A fee is required for content and examination review of each qualifying course and for each distinct delivery method utilized by a provider for that course.

(3) A provider who seeks approval of a new delivery method for a currently approved qualifying course must submit a new application and pay all required fees, including a fee for content and examination review.

(4) The Commission may:

(A) request additional information be provided to the Commission relating to an application;

(B) terminate an application without further notice if the applicant fails to provide the additional information not later than the 60th day after the Commission mails the request; and

(C) prior to approval of a proposed qualifying real estate inspector course, submit the course to the Texas Real Estate Inspector Committee for review and recommendation.

(b) Standards for course approval. To be approved as a qualifying course by the Commission, a provider must satisfy the Commission that the course:

(1) covers all topics and units for the course subject required by the Act, Chapter 1102 and this chapter;

(2) covers all units within the prescribed topic;

(3) contains sufficient content to satisfy the number of hours for which credit is being requested as evidenced by:

(A) word count studies;

(B) samples of student time studies; or

(C) other methods acceptable to the Commission;

(4) will be scheduled for the full clock hours of time for which credit is awarded and presented in full hourly units;

(5) does not have daily course segments that exceed 12 hours;

(6) will be delivered by one of the following delivery methods:

(A) classroom delivery;

(B) distance education delivery; or

(C) a combination of (A) and (B) of this paragraph, if at least 50% of the combined course is offered by classroom delivery;

(7) include at a minimum, the following methods to assess a student's comprehension of the course material:

(A) topic quizzes, with at least three questions related to the subject matter in each course topic;

(B) at least one scenario-based learning exercise per every increment of 10 credit hours or less; and

(C) if the course is delivered by distance education delivery:

(i) prevent the student from moving from one topic to the next topic until the student answers all topic quiz questions correctly and receives a passing grade on the scenario based learning exercises; and

(ii) for quiz questions answered incorrectly, employ a method to present the rationale behind the correct answer and ask a subsequent related quiz question that will count toward passing the topic if answered correctly; and

(8) include at least four versions of a final examination, and ensure that each version of the examination:

(A) covers each topic required by the Act or Rules for the specific course;

(B) does not contain any true/false questions;

(C) does not repeat more than one third of the questions from other versions of the final examination;

(D) for all qualifying courses other than a real estate math course:

(i) consists of at least two questions per credit course hour; and

(ii) draws from a question bank consisting of at least four questions per credit course hour; and

(E) for all qualifying real estate math courses, consists of at least 20 questions that are drawn from a question bank consisting of at least 40 questions.

(c) If the course is currently certified by a distance learning certification center acceptable to the Commission, the provider will be deemed to have met requirements for verification of clock/course hours for distance education delivery.

(d) Approval of currently approved courses by a secondary provider.

(1) If a secondary provider wants to offer a course currently approved for another provider, the secondary provider must:

(A) submit, using a process acceptable to the Commission:

(i) the course application and approval forms including all materials required; and

(ii) authorization to the Commission from the owner of the rights to the course material granting permission for the secondary provider to offer the course; and

(B) pay the fee required by §535.101 or §535.210 of this title.

(2) If approved to offer the previously approved course, the secondary provider is required to:

(A) offer the course as originally approved, assume the original expiration date, include any approved revisions, use all materials required for the course; and

(B) meet the requirements of §535.65 of this title.

(e) Required revision of a currently approved qualifying course.

(1) Providers are responsible for keeping current on changes to the Act and Commission Rules and must revise or supplement materials for approved courses when changes are adopted on or before the effective date of those statutes or rules.

(2) If the Commission adopts new requirements for a course, including but not limited to a course approval form that divides selected qualifying course subjects into topics and units, the Commission will determine, at the time the Commission adopts the new requirements, whether a provider must revise the course or supplement the course. Any provider currently offering a course that is subject to change must:

(A) revise or supplement any currently approved classroom qualifying course covering that subject no later than 12 months after the effective date of the new requirements; and

(B) revise or supplement any currently approved qualifying course offered by distance or combination delivery no later than 15 months after the effective date of the new requirements.

(3) If the Commission determines that a qualifying course should be supplemented, a provider must submit the supplemental materials required by the Commission. No fee will be required and the course will maintain its original expiration date.

(4) If the Commission determines that a qualifying course should be revised, a provider must:

(A) submit the course application and approval forms including all materials required using a process acceptable to the Commission; and

(B) pay the fee required by §535.101 or §535.210 of this title.

(5) A provider may not offer a course for qualifying credit after the deadlines established by this subsection following a required revision or supplement if the provider has not received written approval from the Commission to offer the revised or supplemented course.

(6) If a provider paid a fee for the initial course approval, the provider will receive a prorated credit on the fee paid under this subsection for a revised course for the unexpired time remaining on that initial approval. The Commission will calculate the prorated credit by dividing the fee paid for the initial approval by 48 months and multiplying that amount by the number of full months remaining between

the approval date of the revised course and the expiration date of the currently approved version of the course.

(7) A revised course approved under this subsection expires four years from the date of approval of the revision.

(8) No later than 90 days before the effective date of a revised or supplemented course, a provider shall send written notice to all students who have purchased the currently approved course and not completed it, that credit will no longer be given for the current course as of the effective date of the revised or supplemented course.

(9) If an approved provider fails to give the notice set out in paragraph (8) of this subsection, the provider shall allow the student to take the revised or supplemented course at no additional charge.

(f) Voluntary revision of a currently approved qualifying course.

(1) A provider who voluntarily revises a currently approved course, shall, prior to implementation of any course materials:

(A) file any updated course materials and revisions of the course outline with the Commission; and

(B) pay the fee required by §535.101 and §535.210 of this title.

(2) If after review the Commission is not satisfied with the updated course materials and revised course outline, the Commission may direct a provider to:

(A) further revise the materials;

(B) cease use of materials; or

(C) withdraw a course text.

(3) If a provider paid a fee for the initial course approval, the provider will receive a prorated credit on the fee paid under this subsection for the unexpired time remaining on that initial approval. The Commission will calculate the prorated credit by dividing the fee paid for the initial approval by 48 months and multiplying that amount by the number of full months remaining between the approval date of the revised course and the expiration date of the currently approved version of the course.

(4) A revised course approved under this subsection expires four years from the date of approval of the revision.

(5) No later than 90 days before the effective date of a revised course, a provider shall send written notice to all students who have purchased the currently approved course and not completed it, that credit will no longer be given for the current course as of the effective date of the revised course.

(6) If an approved provider fails to give the notice set out in paragraph (5) of this subsection, the provider shall allow the student to take the revised course at no additional charge.

(g) Approval and Expiration of approval.

(1) A Qualifying provider shall not offer qualifying education courses until the provider has received written notice of the approval from the Commission.

(2) A Qualifying course expires four years from the date of approval and providers must reapply and meet all current requirements of this Section to offer the course for another four years.

(3) Courses approved for use by a secondary provider under subsection (d) of this section or approved for additional delivery methods under subsection (a)(3) of this section expire on the same date that the originally approved course expires.

(h) Renewal of course approval.

(1) Not earlier than 90 days before the expiration of a course approval, a provider may apply for a renewal of course approval for another four-year period.

(2) Approval of an application to renew course approval shall be subject to the standards for initial approval set out in this section.

(3) The Commission may deny an application to renew course approval if the provider is in violation of a Commission order.

(i) Course preapproval for exempt providers.

(1) Providers exempt from approval by the Commission may submit courses to the Commission for preapproval by meeting the standards for course approval under this section, including submitting all applicable forms and fees.

(2) Any course offered by an exempt provider without preapproval by the Commission will be evaluated by the Commission to determine whether it qualifies for credit at such time as a student submits a transcript or other course completion record [~~certificate~~] to the Commission for credit.

(3) The Commission will determine whether or not a course offered by an exempt provider without preapproval by the Commission qualifies for credit using the standards set out under this section.

(4) An exempt provider may not represent that a course qualifies for credit by the Commission unless the exempt provider receives written confirmation from the Commission that the course has been preapproved for credit.

§535.65. Responsibilities and Operations of Providers of Qualifying Courses.

(a) Responsibility of Providers.

(1) A provider is responsible for:

(A) the administration of each course, including, but not limited to, compliance with any prescribed period of time for any required course topics required by the Act, Chapter 1102, and Commission rules;

(B) maintaining student attendance records and pre-enrollment agreements;

(C) verifying instructor qualification, performance and attendance;

(D) proper examination administration;

(E) validation of student identity acceptable to the Commission;

(F) maintaining student course completion records;

(G) ensuring all advertising complies with subsection (c) of this section;

(H) ensuring that instructors or other persons do not recruit or solicit prospective sales agents, brokers, easement or right-of-way agents, or inspectors during course presentation; and

(I) ensuring staff is reasonably available for public inquiry and assistance.

(2) A provider may not promote the sale of goods or services during the presentation of a course.

(3) A provider may remove a student and not award credit if a student does not participate in class, or disrupts the orderly conduct of a class, after being warned by the provider or the instructor.

(4) If a provider approved by the Commission does not maintain a fixed office in Texas for the duration of the provider's approval to offer courses, the provider shall designate a resident of this state as attorney-in-fact to accept service of process and act as custodian of any records in Texas that the provider is required to maintain by this section. A power-of-attorney designating the resident must be filed with the Commission in a form acceptable to the Commission.

(b) Use of Qualified Instructor.

(1) Except as provided by this subsection, a provider must use an instructor that is currently qualified under §535.63 of this subchapter (relating to Qualifications for Instructors of Qualifying Courses) to teach the specified course.

(2) Each instructor shall be selected on the basis of expertise in the subject area of instruction and ability as an instructor.

(3) A provider shall require specialized training or work experience for instructors teaching specialized subjects such as law, appraisal, investments, taxation or home inspection.

(4) An instructor shall teach a course in substantially the same manner represented to the Commission in the instructor's manual or other documents filed with the application for course approval.

(5) A provider may use the services of a guest instructor who does not meet the instructor qualifications under §535.63 of this subchapter for qualifying real estate, easement or right-of-way, or inspector courses provided that person instructs for no more than 10% of the total course time.

(c) Advertising.

(1) The following practices are prohibited:

(A) using any advertising which does not clearly and conspicuously contain the provider's name on the first page or screen of the advertising;

(B) representing that the provider's program is the only vehicle by which a person may satisfy educational requirements;

(C) conveying a false impression of the provider's size, superiority, importance, location, equipment or facilities, except that a provider may use objective information published by the Commission regarding pass rates if the provider also displays next to the passage rate in a readily noticeable fashion:

(i) A hyperlink to the Commission website's Education Provider Exam Passage Rate page labeled "TREC Provider Exam Pass Rates" for digital media; or

(ii) A URL to the Commission website's Education Provider Exam Passage Rate page labeled "TREC Provider Exam Pass Rates" for non-digital media;

(D) promoting the provider directly or indirectly as a job placement agency, unless the provider is participating in a program recognized by federal, state, or local government and is providing job placement services to the extent the services are required by the program;

(E) making any statement which is misleading, likely to deceive the public, or which in any manner tends to create a misleading impression;

(F) advertising a course under a course name other than the course name approved by the Commission; or

(G) advertising using a name that implies the course provider is the Texas Real Estate Commission, including use of the acronym "TREC", in all or part of the course provider's name.

(2) Any written advertisement by a provider that includes a fee that the provider charges for a course must display any additional fees that the provider charges for the course in the same place in the advertisement and with the same degree of prominence.

(3) The provider shall advertise a course for the full clock hours of time for which credit is awarded.

(4) The provider is responsible for and subject to sanctions for any violation of this subsection by any affiliate or other third party marketer or web hosting site associated with or used by the provider.

(d) Pre-enrollment agreements for approved providers.

(1) Prior to a student enrolling in a course, a provider approved by the Commission shall provide the student with a pre-enrollment agreement that includes all of the following information:

(A) the tuition for the course;

(B) an itemized list of any fees charged by the provider for supplies, materials, or books needed in course work;

(C) the provider's policy regarding the refund of tuition and other fees, including a statement addressing refund policy when a student is dismissed or withdraws voluntarily;

(D) the attendance requirements;

(E) the acceptable makeup procedures, including any applicable time limits and any fees that may be charged for makeup sessions;

(F) the procedure and fees, if applicable, associated with exam proctoring;

(G) the procedure and fees for taking any permitted makeup final examination or any permitted re-examination, including any applicable time limits; and

(H) the notices regarding potential ineligibility for a license based on criminal history required by §53.152, Texas Occupations Code.

(2) A pre-enrollment agreement must be signed by a representative of the provider and the student prior to commencement of the course.

(e) Refund of fees by approved provider.

(1) A provider shall establish written policies governing refunds and contingency plans in the event of course cancellation.

(2) If a provider approved by the Commission cancels a course, the provider shall:

(A) fully refund all fees collected from students within a reasonable time; or

(B) at the student's option, credit the student for another course.

(3) The provider shall inform the Commission when a student requests a refund because of a withdrawal due to the student's dissatisfaction with the quality of the course.

(4) If a provider fails to give the notice required by subsection (d)(1)(H) of this section, and an individual's application for a license is denied by the Commission because the individual has been convicted of a criminal offense, the provider shall reimburse the individual the amounts required by §53.153, Texas Occupations Code.

(f) Course materials.

(1) Before the course starts, a provider shall give each student copies of or, if a student has online access, provide online access to any materials to be used for the course.

(2) A provider shall update course materials to ensure that current and accurate information is provided to students as provided for under §535.62 of this subchapter (relating to Approval of Qualifying Courses).

(g) Presentation of courses.

(1) Classroom Delivery.

(A) The location for the course must:

(i) be conducive to instruction, such as a classroom, training room, conference room, or assembly hall that is separate and apart from work areas;

(ii) be adequate for the class size;

(iii) pose no threat to the health or safety of students; and

(iv) allow the instructor to see and hear each student and the students to see and hear the instructor, including when offered through the use of technology.

(B) The provider must:

(i) verify the identification of each student at class sign up and when signing in for each subsequent meeting of the class;

(ii) ensure the student is present for the course for the hours of time for which credit is awarded;

(iii) provide a 10 minute break per hour at least every two hours; and

(iv) not have daily course segments that exceed 12 hours.

(C) For a qualifying or non-elective continuing education classroom delivery course delivered through the use of technology where there are more than 20 students registered for the course, the provider will also use a monitor to verify identification of each student, monitor active participation of each student and facilitate questions for the instructor.

(D) Makeup Session for Classroom Courses.

(i) A provider may permit a student who attends at least two-thirds of an originally scheduled qualifying course to complete a makeup session to satisfy attendance requirements.

(ii) A member of the provider's staff must approve the makeup procedure to be followed. Acceptable makeup procedures are:

(I) attendance in corresponding class sessions in a subsequent offering of the same course; or

(II) the supervised presentation by audio or video recording of the class sessions actually missed.

(iii) A student shall complete all class makeup sessions no later than the 90th day after the date of the completion of the original course.

(iv) A student who attends less than two-thirds of the originally scheduled qualifying course is not eligible to complete a makeup session. The student shall automatically be dropped from the course with no credit.

(2) Distance Education Delivery. The provider must ensure that:

(A) the student taking all topics of the course and completing all quizzes and exercises is the student receiving credit for the course through a student identity verification process acceptable to the Commission;

(B) a qualified instructor is available to answer students' questions or provide assistance as necessary in a timely manner;

(C) a student has completed all instructional modules and attended any hours of live instruction required for a given course; and

(D) a qualified instructor is responsible for providing answers and rationale for the grading of the course work.

(3) A provider is not required to present topics in the order outlined for a course on the corresponding course approval form.

(4) The periods of time prescribed to each unit of a topic for a qualifying course as outlined on the corresponding course approval form are recommendations and may be altered to allow instructors flexibility to meet the particular needs of their students.

(5) Notwithstanding subsections (3) - (4) of this section, all units must be presented within the prescribed topic.

(h) Course examinations.

(1) The final examination given at the end of each course must be given in the manner submitted to and approved by the Commission.

(2) Final examination questions must be kept confidential and be significantly different from any quiz questions and exercises used in the course.

(3) A provider shall not permit a student to view or take a final examination before the completion of regular course work and any makeup sessions required by this section.

(4) A provider must rotate all versions of the examination required by §535.62(b)(7) of this subchapter throughout the approval period for a course in a manner acceptable to the Commission and must require an unweighted passing score of 70%.

(5) A provider must administer the examination under conditions that ensure the student taking the examination is the student who registered for and took the course.

(6) A provider may not give credit to a student who fails a final examination and a subsequent final examination as provided for in subsection (i) of this section.

(i) Subsequent final course examination.

(1) If a student fails a final course examination, a provider may permit the student to take a subsequent final examination only after the student has completed any additional course work prescribed by the provider.

(2) A student shall complete the subsequent final examination no later than the 90th day after the date the original class concludes. The subsequent final examination must be a different version of the original final examination given to the student and must comply with §535.62(b)(8) of this subchapter and subsection (h) of this section.

(3) If a student fails to timely complete the subsequent final examination as required by this subsection, the student shall be automatically dropped from the course with no credit.

(4) A student who fails the final course examination a second time is required to retake the course and the final course examination.

(j) Course completion records [certificate].

(1) Upon successful completion of a qualifying course, a provider shall submit course completion records to the Commission using a process acceptable to the Commission not sooner than the number of course credit hours has passed and not later than the 10th calendar day after the date a course is completed [issue a course completion certificate].

(2) The course completion record [certificate] shall include:

(A) the provider's name and approval number;

(B) the student's name [the instructor's name];

(C) the course title;

(D) course number [numbers];

(E) the number of [classroom] credit hours;

(F) the course delivery method;

(G) the dates the student began and completed the course; and

(H) for qualifying real estate courses completed on or after October 1, 2026, one of the following issued by the Commission:

(i) the student's license number, or

(ii) if no license number has been issued by the Commission, the student's application number [the printed name and signature of an official of the provider on record with the Commission].

(3) [(2)] A provider may withhold any official completion documentation required by this subsection from a student until the student has fulfilled all financial obligations to the provider.

(4) [(3)] A provider shall maintain adequate security against forgery for official completion documentation required by this subsection.

(k) Instructor and course evaluations.

(1) A provider shall provide each student enrolled in a course with an instructor and course evaluation form or provide a link to an online version of the form that a student can complete and submit any time after course completion.

(2) An instructor may not be present when a student is completing the evaluation form and may not be involved in any manner with the evaluation process.

(3) When evaluating an instructor or course, a provider shall use all of the questions from the evaluation form approved by the Commission, in the same order as listed on that form. A provider may add additional questions to the end of the Commission evaluation questions or request the students to also complete the provider's evaluation form.

(4) A provider shall maintain any comments made by the provider's management relevant to instructor or course evaluations with the provider's records.

(5) At the Commission's request, a provider shall produce instructor and course evaluation forms for inspection by Commission staff.

(l) Maintenance of records for a provider of qualifying courses.

(1) A provider shall maintain records of each student enrolled in a course for a minimum of four years following completion of the course, including course and instructor evaluations and student enrollment agreements.

(2) A provider shall maintain financial records sufficient to reflect at any time the financial condition of the school.

(3) A school's financial statement and balance sheets must be available for audit by Commission staff, and the Commission may require presentation of financial statements or other financial records.

(4) All records may be maintained electronically but must be in a common format that is legible and easily printed or viewed without additional manipulation or special software.

(m) Changes in ownership or operation of an approved provider of qualifying courses.

(1) An approved provider shall obtain the approval of the Commission at least 30 days in advance of any material change in the operations of the provider by submitting the Qualifying Education Provider Supplement Application using a process acceptable to the Commission, including but not limited to changes in:

(A) operations or records management; and

(B) the location of the main office and any other locations where courses are offered.

(2) An approved provider requesting approval of a change in ownership shall provide all of the following information or documents using a process acceptable to the Commission:

(A) an Education Provider Application reflecting all required information for each owner and the required fee;

(B) a Principal Information Form for each proposed new owner who holds at least 10% interest in the school;

(C) financial documents to satisfy standards imposed by §535.61 of this subchapter (relating to Approval of Providers of Qualifying Courses), including a $20,000 surety bond for the proposed new owner; and

(D) business documentation reflecting the 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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Abby Lee
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SUBCHAPTER G. REQUIREMENTS FOR CONTINUING EDUCATION PROVIDERS, COURSES AND INSTRUCTORS

22 TAC §535.75

The Texas Real Estate Commission (TREC) proposes amendments to 22 TAC §535.75, Responsibilities and Operations of Continuing Education Providers, in Chapter 535, General Provisions.

The changes to §535.75 update the requirements for the course completion roster (proposed to be renamed "course completion records" to more accurately capture the type of documents being provided) to streamline the information required to be provided by education providers to the Commission and to align language with other rules.

The Commission's Executive Committee recommends the amendments be proposed.

Abby Lee, General Counsel, has determined that for the first five-year period the proposed amendments are in effect there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no adverse economic effect anticipated for small businesses, micro-businesses, rural communities, or local or state employment as a result of implementing the proposed amendments. There is no significant economic cost anticipated for persons who are required to comply with the proposed amendments. Accordingly, no Economic Impact Statement or Regulatory Flexibility Analysis is required.

Ms. Lee also has determined that for each year of the first five years the section as proposed is in effect, the public benefit anticipated as a result of enforcing the section will be greater clarity and consistency in the rules.

For each year of the first five years the proposed amendments are in effect, the amendments will not:

- create or eliminate a government program;

- require the creation of new employee positions or the elimination of existing employee positions;

- require an increase or decrease in future legislative appropriations to the agency;

- require an increase or decrease in fees paid to the agency;

- create a new regulation;

- expand, limit or repeal an existing regulation;

- increase or decrease the number of individuals subject to the rule's applicability;

- positively or adversely affect the state's economy.

The Commission requests comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposal or any other interested person, which may be submitted through the online comment submission form at https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules, to Abby Lee, General Counsel, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, or via email to general.counsel@trec.texas.gov. The deadline for comments is 30 days after publication in the *Texas Register*.

The amendments are proposed under Texas Occupations Code, §1101.151, which authorizes the Texas Real Estate Commission to adopt and enforce rules necessary to administer Chapters 1101 and 1102; and to establish standards of conduct and ethics for its license holders to fulfill the purposes of Chapters 1101 and 1102 and ensure compliance with Chapters 1101 and 1102.

The statutes affected by this proposal are Texas Occupations Code, Chapters 1101 and 1102. No other statute, code or article is affected by the proposed amendments.

§535.75. Responsibilities and Operations of Continuing Education Providers.

(a) Except as provided by this section, CE providers must comply with the responsibilities and operations requirements of §535.65 of this chapter (relating to Responsibilities and Operations of Providers of Qualifying Courses).

(b) Use of Qualified Instructor.

(1) Except as provided by this subsection, a CE provider must use an instructor that:

(A) is currently qualified under §535.74 of this subchapter (relating to Qualifications for Continuing Education Instructors); and

(B) has expertise in the subject area of instruction and ability as an instructor;

(2) A CE instructor shall teach a course in substantially the same manner represented to the Commission in the instructor's manual or other documents filed with the application for course approval form;

(3) A CE provider may use the services of a guest instructor who is not qualified under §535.74 of this subchapter for real estate, easement or right-of-way, or inspector elective CE courses provided that:

(A) the guest instructor instructs for no more than a total of 50% of the course; and

(B) a CE instructor qualified under §535.74 of this subchapter remains in the classroom during the guest instructor's presentation.

(4) A CE provider may use the services of a guest instructor who is not qualified under §535.74 of this subchapter for 100% of a real estate, easement or right-of-way, or inspector elective CE courses provided that:

(A) The CE provider is:

(i) a public school or an accredited college or university;

(ii) a professional trade association that is approved by the Commission as a CE provider under §535.71 of this subchapter (relating to Approval of Continuing Education Providers); or

(iii) an entity exempt under §535.71 of this subchapter; and

(B) the course is supervised and coordinated by a CE instructor qualified under §535.74 of this subchapter who is responsible for verifying the attendance of all who request CE credit.

(c) CE course examinations.

(1) For real estate CE courses, examinations are only required for non-elective CE courses and must comply with the requirements in §535.72(g) of this subchapter (relating to Approval of Non-elective Continuing Education Courses) and have a minimum of four questions per course credit hour.

(2) For inspector CE courses, examinations are only required for CE courses offered through distance education delivery and must comply with the requirements in §535.72(g) of this subchapter and have a minimum of four questions per course credit hour.

(d) Course completion records [~~roster~~]. Upon completion of a course, a CE provider shall submit course completion records [~~a class roster~~] to the Commission as outlined by this subsection.

(1) A provider shall maintain [~~a~~] course completion records [~~roster~~] and submit information contained in the records [~~roster~~] by electronic means acceptable to the Commission not sooner than the number of course credit hours has passed and not later than the 10th calendar day after the date a course is completed.

(2) A course completion record [~~roster~~] shall include:

(A) the provider's name and approval number [~~license~~];

(B) the student's name and license number [~~a list of all instructors whose services were used in the course~~];

(C) the course title;

(D) the course approval numbers;

(E) the number of [~~classroom~~] credit hours;

(F) the course delivery method; and

(G) the dates the student started and completed the course.

(3) A provider may withhold any official completion documentation required by this subsection from a student until the student has fulfilled all financial obligations to the provider.

(4) A provider shall maintain adequate security against forgery for official completion documentation required by this subsection.

(e) Maintenance of records. Maintenance of CE provider's records is governed by this subsection.

(1) A CE provider shall maintain records of each student enrolled in a course for a minimum of four years following completion of the course, including course and instructor evaluations and student enrollment agreements.

(2) All records may be maintained electronically but must be in a common format that is legible and easily printed or viewed without additional manipulation or special software.

(3) A CE provider shall maintain any comments made by the provider's management relevant to instructor or course evaluations with the provider's records.

(4) Upon request, a CE provider shall produce instructor and course evaluation forms for inspection by Commission staff.

(f) Changes in ownership or operation of an approved CE Provider. Changes in ownership or operation of an approved CE provider are governed by this subsection.

(1) An approved provider shall obtain the approval of the Commission at least 30 days in advance of any material change in the operation of the provider, including but not limited to changes in:

(A) ownership;

(B) management; and

(C) the location of the main office and any other locations where courses are offered.

(2) An approved provider requesting approval of a change in ownership shall provide a CE Provider Application including all required information and the required fee.

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 I. LICENSE RENEWAL

22 TAC §535.92

The Texas Real Estate Commission (TREC) proposes amendments to 22 TAC §535.92, Continuing Education Requirements, in Chapter 535, General Provisions.

The proposed change to §535.92 updates terminology in subsection (b) (from course completion roster to course completion records) to more accurately capture the types of documents provided and to align language with other rules.

The Commission's Executive Committee recommends the amendments be proposed.

Abby Lee, General Counsel, has determined that for the first five-year period the proposed amendment is in effect there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no adverse economic effect anticipated for small businesses, micro-businesses, rural communities, or local or state employment as a result of implementing the proposed amendment. There is no significant economic cost anticipated for persons who are required to comply with the proposed amendment. Accordingly, no Economic Impact Statement or Regulatory Flexibility Analysis is required.

Ms. Lee also has determined that for each year of the first five years the section as proposed is in effect, the public benefit anticipated as a result of enforcing the section will be greater clarity and consistency in the rules.

For each year of the first five years the proposed amendment is in effect, the amendment will not:

- create or eliminate a government program;

- require the creation of new employee positions or the elimination of existing employee positions;

- require an increase or decrease in future legislative appropriations to the agency;

- require an increase or decrease in fees paid to the agency;

- create a new regulation;

- expand, limit or repeal an existing regulation;

- increase or decrease the number of individuals subject to the rule's applicability;

- positively or adversely affect the state's economy.

The Commission requests comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research,

or analysis, from any person required to comply with the proposal or any other interested person, which may be submitted through the online comment submission format https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules, to Abby Lee, General Counsel, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, or via email to general.counsel@trec.texas.gov. The deadline for comments is 30 days after publication in the *Texas Register*.

The amendment is proposed under Texas Occupations Code, §1101.151, which authorizes the Texas Real Estate Commission to adopt and enforce rules necessary to administer Chapters 1101 and 1102; and to establish standards of conduct and ethics for its license holders to fulfill the purposes of Chapters 1101 and 1102 and ensure compliance with Chapters 1101 and 1102.

The statute affected by this proposal is Texas Occupations Code, Chapter 1101. No other statute, code or article is affected by the proposed amendments.

§535.92. Continuing Education Requirements.

(a) Required continuing education. 18 hours of continuing education are required for each renewal of a real estate sales agent or broker license and must include:

(1) a four-hour Legal Update I: Laws, Rules and Forms course;

(2) a four-hour Legal Update II: Agency, Ethics and Hot Topics course;

(3) three hours on the subject of real estate contracts from one or more Commission approved courses; and

(4) a six-hour Broker Responsibility Course, if the license holder:

(A) is a broker; or

(B) is a delegated supervisor under §535.2(e) of this chapter (relating to Broker Responsibility).

(b) Awarding continuing education credit. The Commission will award credit to a license holder for an approved continuing education course upon receipt of [a] course completion records [~~roster~~] from a CE provider as required under §535.75 of this chapter (relating to Responsibilities and Operations of Continuing Education Providers).

(c) Continuing education credit for qualifying courses. Real estate license holders may receive continuing education elective credit for qualifying real estate courses or qualifying real estate inspection courses that have been approved by the Commission or that are accepted by the Commission for satisfying educational requirements for obtaining or renewing a license. Qualifying real estate courses must be at least 30 classroom hours in length to be accepted for continuing education elective credit.

(d) Continuing education credit for course taken outside of Texas. A course taken by a Texas license holder to satisfy continuing education requirements of a country, territory, or state other than Texas may be approved on an individual basis for continuing education elective credit in Texas upon the Commission's determination that:

(1) the Texas license holder held an active real estate license in a country, territory, or state other than Texas at the time the course was taken;

(2) the course was approved for continuing education credit for a real estate license by a country, territory, or state other than Texas and, if a correspondence course, was offered by an accredited college or university;

(3) the Texas license holder's successful completion of the course has been evidenced by a course completion certificate, a letter from the provider or other proof satisfactory to the Commission;

(4) the subject matter of the course was predominately devoted to a subject acceptable for continuing education credit in Texas; and

(5) the Texas license holder has filed a Credit Request for an Out-of-State Course, with the Commission.

(e) Continuing education credit for courses offered by the State Bar. To request continuing education elective credit for real estate related courses approved by the State Bar of Texas for minimum continuing legal education participatory credit, a license holder is required to file an Individual Credit Request for State Bar Course.

(f) Continuing education credit for attendance at Commission meeting. A real estate license holder may receive up to four hours of continuing education elective credit per license period for attendance in person at a single quarterly Commission meeting. Credit will only be awarded to license holders who attend the meeting in its entirety; no partial credit for attendance will be awarded. Credit will not be awarded to license holders appearing as a party to a contested case before the Commission.

(g) Continuing education credit for instructors. Instructors may receive continuing education credit for real estate qualifying courses subject to the following guidelines:

(1) An instructor may receive credit for those segments of the course that the instructor teaches by filing an Instructor Credit Request.

(2) An instructor may receive full course credit by attending any segment that the instructor does not teach in addition to those segments the instructor does teach.

(h) Limitations. The Commission will not award credit to a license holder who attends or instructs the same course more than once during:

(1) the term of the current license period; or

(2) the two-year period preceding the filing of a renewal application for a license after the license expiration date as provided for under §535.91 of this subchapter (relating to Renewal of a Real Estate License) or return to active status as provided for under Subchapter L of this chapter (relating to Inactive License Status).

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

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SUBCHAPTER R. REAL ESTATE INSPECTORS

22 TAC §§535.223, 535.227 - 535.233

The Texas Real Estate Commission (TREC) proposes amendments to §535.227, Standards of Practice: General Provisions; §535.228, Standards of Practice: Minimum Inspection Requirements for Structural Systems; §535.229, Standards of Practice: Minimum Inspection Requirements for Electrical Systems; §535.230, Standards of Practice: Minimum Inspection Requirements for Heating, Ventilation, and Air Conditioning Systems; §535.231, Standards of Practice: Minimum Inspection Requirements for Plumbing Systems; §535.232, Standards of Practice: Minimum Inspection Requirements for Appliances; §535.233, Standards of Practice: Minimum Inspection Requirements for Optional Systems; and §535.223, Standard Inspection Report Form, and the form adopted by reference, in Subchapter R of Chapter 535, General Provisions.

To align the rule language with the Commission's current four-year statute of limitations for investigating a complaint, the proposed amendments to §535.227 add that inspectors must maintain completed inspection reports for at least four years from the date of inspection.

The proposed amendments to §535.228(c) clarify that inspectors must inspect the roof by walking the surface of the roof, as long as safe to do so and without damaging the roof covering materials. The amendments to subsection (f) relating to exterior walls, doors, and windows require that the inspector report as deficient the presence of doors and emergency escape and rescue openings that require a key or special knowledge or effort to be more consistent with applicable safety standards. A typographical error was also corrected.

The proposed amendments to §535.229 update the requirements for electrical systems to better reflect current code requirements, including clarifying dimensions at which electrical cabinets and panel boards are not accessible, reporting as deficient equipment service receptacles within 25 feet of equipment, and reporting the absence of carbon monoxide alarms inside each sleeping room containing a fuel fired appliance.

The proposed amendments to §535.230 clarify reporting requirements when there is a lack of a permanently installed heat source and when there is present and visible exposed electrical conductors or equipment. The changes also correct a typographical error. Finally, the subsections involving range hoods and exhaust systems, mechanical exhaust systems and bathroom heaters, and dryer exhaust systems have been moved from §535.232, Standards of Practice: Minimum Inspection Requirements for Appliances, to this rule to keep ventilation related items together and for better consistency in the rule.

The proposed amendments to §535.231 update and clarify terminology, and the rule language is modified in several sections to better reflect current code requirements. The amendments also remove redundant language related to the condition of gas distribution systems.

The proposed amendments to §535.233(g) update the language related to private sewage disposal systems by clarifying what an inspector must inspect and report. The proposed amendments also add a new subsection (h) related to sewer line inspections by camera or scope to provide better guidance to inspectors and better clarity to consumers in the event an inspector performs this type of inspection.

The proposed amendments to §535.223 update the form number of the form adopted by reference (the Property Inspection Report Form). The form itself has also been updated to correct a typographical error and been modified to correspond with the changes to the rules.

The Texas Real Estate Inspector Committee recommends the proposed amendments.

Abby Lee, General Counsel, has determined that for the first five-year period the proposed amendments are in effect there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no adverse economic effect anticipated for small businesses, micro-businesses, rural communities, or local or state employment as a result of implementing the proposed amendments. There is no significant economic cost anticipated for persons who are required to comply with the proposed new rule. Accordingly, no Economic Impact Statement or Regulatory Flexibility Analysis is required.

Ms. Lee also has determined that for each year of the first five years the section as proposed is in effect, the public benefit anticipated as a result of enforcing the sections are improved clarity for license holders and greater consumer protection.

Except as noted below, for each year of the first five years the proposed amendments are in effect, the amendments will not:

- create or eliminate a government program;

- require the creation of new employee positions or the elimination of existing employee positions;

- require an increase or decrease in future legislative appropriations to the agency;

- require an increase or decrease in fees paid to the agency;

- create a new regulation;

- expand, limit or repeal an existing regulation;

- increase or decrease the number of individuals subject to the rule's applicability;

- positively or adversely affect the state's economy.

The proposed amendments to §535.233(h) add new language regarding sewer line inspections by camera or scope to provide better guidance in this area.

The Commission requests comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposal or any other interested person, which may be submitted through the online comment submission form at https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules, to Abby Lee, General Counsel, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, or via email to general.counsel@trec.texas.gov. The deadline for comments is 30 days after publication in the *Texas Register*.

The amendments are proposed under Texas Occupations Code §1101.151, which authorizes the Texas Real Estate Commission to adopt and enforce rules necessary to administer Chapters 1101 and 1102; and to establish standards of conduct and ethics for its license holders to fulfill the purposes of Chapters 1101 and 1102. The amendments to §535.223 are also proposed under Texas Occupations Code 1102.003, which requires the Commission by rule to prescribe the standard inspection form and require its use.

The statute affected by this proposal is Chapter 1102, Texas Occupations Code. No other statute, code or article is affected by the proposed amendments.

§535.223. Standard Inspection Report Form.

The Commission adopts by reference Property Inspection Report Form REI 7-7 [~~7-6~~], approved by the Commission for use in reporting inspections results. This document is published by and available from the Commission website: www.trec.texas.gov, or by writing to the Commission at Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188.

(1) Except as provided by this section, inspections performed for a prospective buyer or prospective seller of substantially complete one-to-four family residential property shall be reported on Form REI 7-7 [~~7-6~~] adopted by the Commission ("the standard form").

(2) If an inspector uses computer software or other means to produce an inspection report, the inspector must reproduce the text of the standard form verbatim and the spacing, borders and placement of text must be identical to the standard form.

(3) An inspector may make the following changes to the standard form:

(A) delete the line for name and license number, of the sponsoring inspector, if the inspection was performed solely by a professional inspector;

(B) change the typeface; provided that it is no smaller than a 10 point font;

(C) change the color of the typeface and checkboxes;

(D) use legal sized (8-1/2" by 14") paper;

(E) add a cover page to the report form;

(F) add footers to each page of the report except the first page and may add headers to each page of the report;

(G) place the property identification and page number at either the top or bottom of the page;

(H) add subheadings under items, provided that the numbering of the standard items remains consistent with the standard form;

(I) list other items in the corresponding appropriate section of the report form and additional captions, letters, and check boxes for those items;

(J) delete inapplicable subsections of Section VI., Optional Systems, and re-letter any remaining subsections;

(K) delete "Other" subsections of Section I. through Section VI.;

(L) as the inspector deems necessary:

(i) allocate such space for comments in:

(I) the "Additional Information Provided by the Inspector" section; and

(II) each section provided for comments for each inspected item;

(ii) attach additional pages of comments; or

(iii) both;

(M) include a service agreement/inspection contract or contractual terms between the inspector and a client with the standard form under the "Additional Information Provided by the Inspector" section or as an attachment to the standard form;

(N) attach additional pages to the form if:

(i) it is necessary to report the inspection of a component, or system not contained in the standard form; or

(ii) the space provided on the form is inadequate for a complete reporting of the Inspection;

(O) attach additional reporting information produced by computer software so long as the standard report form is provided before that information; and

(P) Remove the Commission's logo or substitute the inspector's logo in place of the Commission's logo.

(4) The inspector shall renumber the pages of the standard form to correspond with any changes made necessary due to adjusting the space for comments or adding additional items and shall number all pages of the report, including any addenda.

(5) The inspector shall indicate, by checking the appropriate boxes on the form, whether each item was inspected, not inspected, not present, or deficient and explain the findings in the corresponding section in the body of the report form. If multiple boxes are checked, the inspector must also include an explanation as to the reason for checking multiple boxes in the applicable section of the report form.

(6) This section does not apply to the following:

(A) re-inspections of a property performed for the same client;

(B) inspections performed for or required by a lender or governmental agency;

(C) inspections for which federal or state law requires use of a different report;

(D) quality control construction inspections of new homes performed for builders, including phased construction inspections, inspections performed solely to determine compliance with building codes, warranty or underwriting requirements, or inspections required by a municipality and the builder or other entity requires use of a different report, and the first page of the report contains a notice either in bold or underlined reading substantially similar to the following: "This report was prepared for a builder or other entity in accordance with the builder's requirements. The report is not intended as a substitute for an inspection of the property by an inspector of the buyer's choice. Standard inspections performed by a license holder and reported on Commission promulgated report forms may contain additional information a buyer should consider in making a decision to purchase." If a report form required for use by the builder or builder's employee does not contain the notice, the inspector may attach the notice to the first page of the report at the time the report is prepared by the inspector; or

(E) an inspection of a building or addition that is not substantially complete.

§535.227. Standards of Practice: General Provisions.

(a) Scope.

(1) These standards of practice apply when a professional inspector or real estate inspector who is licensed under this chapter accepts employment to perform a real estate inspection for a prospective buyer or seller of real property.

(2) These standards of practice define the minimum requirements for a real estate inspection conducted on a one to four

family unit that is substantially completed. Substantially completed means the stage of construction when a new building, addition, improvement, or alteration to an existing building can be occupied or used for its intended purpose.

(3) For the purposes of these standards of practice a real estate inspection:

(A) is a limited visual survey and basic performance evaluation of the systems and components of a building using normal controls that provides information regarding the general condition of a residence at the time of inspection;

(B) is not intended to be a comprehensive investigation or exploratory probe to determine the cause or effect of deficiencies noted by the inspector; and

(C) requires the use of reasonable and appropriate tools to satisfy the requirements of the standards of practice. However an inspection does not require the use of:

(i) specialized equipment, including but not limited to:

(I) thermal imaging equipment;

(II) moisture meters;

(III) gas or carbon monoxide detection equipment;

(IV) environmental testing equipment and devices;

(V) elevation determination devices;

(VI) ladders capable of reaching surfaces over one story above ground surfaces;

(VII) cameras or other tools used to inspect the interior of a drain or sewer line; or

(VIII) drones; or

(ii) specialized procedures, including but not limited to:

(I) environmental testing;

(II) elevation measurement;

(III) calculations; or

(IV) any method employing destructive testing that damages otherwise sound materials or finishes.

(4) These standards of practice do not prohibit an inspector from providing a higher level of inspection performance than required by these standards of practice or from inspecting components and systems in addition to those listed under the standards of practice. If an inspector provides services beyond the scope required by these standards of practice, including the use of specialized equipment, or inspects components and systems in addition to those listed under the standards of practice, the inspector must possess the competency required to do so.

(b) Definitions.

(1) Accessible--In the reasonable judgment of the inspector, capable of being approached, entered, or viewed without:

(A) hazard to the inspector;

(B) having to climb over obstacles, moving furnishings or large, heavy, or fragile objects;

(C) using specialized equipment or procedures;

(D) disassembling items other than covers or panels intended to be removed for inspection;

(E) damaging property, permanent construction or building finish; or

(F) using a ladder for portions of the inspection other than the roof or attic space.

(2) Chapter 1102--Texas Occupations Code, Chapter 1102.

(3) Component--A part of a system.

(4) Cosmetic--Related only to appearance or aesthetics, and not related to performance, operability, or water penetration.

(5) Deficiency--In the reasonable judgment of the inspector, a condition that:

(A) adversely and materially affects the performance of a system, or component; or

(B) constitutes a hazard to life, limb, or property as specified by these standards of practice.

(6) Deficient--Reported as having one or more deficiencies.

(7) Gas distribution system--All gas lines between the point of delivery and appliance shutoff valves.

(A) The point of delivery for a natural gas system is:

(i) the outlet of the service meter assembly;

(ii) the outlet of the service regulator; or

(iii) the service shut valve where a meter is not provided. Where a system shutoff valve is provided after the outlet of the service meter assembly, such valve shall be considered to be downstream of the point of delivery.

(B) The point of delivery for undiluted liquefied petroleum gas systems is the outlet of the service pressure regulator, exclusive of line gas regulators, in the system.

(8) Inspect--To operate in normal ranges using ordinary controls at typical settings, look at and examine accessible systems or components and report observed deficiencies as specified by these standards of practice.

(9) Performance--Achievement of an operation, function or configuration relative to accepted industry standard practices with consideration of age and normal wear and tear from ordinary use.

(10) Report--To provide the inspector's opinions and findings regarding systems and components required by the standards of practice.

(11) Standards of practice--§§535.227 - 535.233 of this title.

(c) General Requirements. The inspector shall:

(1) operate fixed or installed equipment and appliances listed herein in at least one mode with ordinary controls at typical settings;

(2) visually inspect accessible systems or components from near proximity to the systems and components, and from the interior of the attic and crawl spaces; and

(3) complete the standard inspection report form as required by §535.222 and §535.223 of this title; and

(4) maintain each completed inspection report in a format that is readily available to the Commission for at least four years from the date of inspection.

(d) General limitations. The inspector is not required to:

(1) inspect:

(A) items other than those listed within these standards of practice;

(B) elevators;

(C) detached buildings, decks, docks, fences, waterfront structures, or related equipment;

(D) anything buried, hidden, latent, or concealed;

(E) sub-surface drainage systems;

(F) automated or programmable control systems, automatic shutoff, photoelectric sensors, timers, clocks, metering devices, signal lights, lightning arrestor system, remote controls, security or data distribution systems, solar panels or smart home automation components; or

(G) concrete flatwork such as driveways, sidewalks, walkways, paving stones or patios;

(2) report:

(A) past repairs that appear to be effective and workmanlike except as specifically required by these standards;

(B) cosmetic or aesthetic conditions; or

(C) wear and tear from ordinary use;

(3) determine:

(A) the presence or absence of pests, termites, or other wood-destroying insects or organisms;

(B) the presence, absence, or risk of:

(i) asbestos;

(ii) lead-based paint;

(iii) mold, mildew;

(iv) corrosive or contaminated drywall "Chinese Drywall"; or

(v) any other environmental hazard, environmental pathogen, carcinogen, toxin, mycotoxin, pollutant, fungal presence or activity, or poison;

(C) types of wood or preservative treatment and fastener compatibility;

(D) the cause or source of a condition;

(E) the cause or effect of deficiencies; or

(F) any of the following issues concerning a system or component:

(i) insurability or warrantability;

(ii) suitability, adequacy, compatibility, capacity, reliability, marketability, or operating costs;

(iii) recalls, counterfeit products, or product lawsuits;

(iv) life expectancy or age;

(v) energy efficiency, vapor barriers, or thermostatic performance;

(vi) compliance with any code, listing, testing or protocol authority;

(vii) utility sources; or

(viii) manufacturer or regulatory requirements, except as specifically required by these standards;

(4) anticipate future events or conditions, including but not limited to:

(A) decay, deterioration, or damage that may occur after the inspection;

(B) deficiencies from abuse, misuse or lack of use;

(C) changes in performance of any component or system due to changes in use or occupancy;

(D) the consequences of the inspection or its effects on current or future buyers and sellers;

(E) common household accidents, personal injury, or death;

(F) the presence of water penetrations; or

(G) future performance of any item;

(5) operate shutoff, safety, stop, pressure or pressure-regulating valves or items requiring the use of codes, keys, combinations, or similar devices;

(6) designate conditions as safe;

(7) recommend or provide engineering, architectural, appraisal, mitigation, physical surveying, realty, or other specialist services;

(8) review historical records, installation instructions, repair plans, cost estimates, disclosure documents, or other reports;

(9) verify sizing, efficiency, or adequacy of the ground surface drainage system;

(10) verify sizing, efficiency, or adequacy of the gutter and downspout system;

(11) operate recirculation or sump pumps;

(12) remedy conditions preventing inspection of any item;

(13) apply open flame or light a pilot to operate any appliance;

(14) turn on decommissioned equipment, systems or utility services; or

(15) provide repair cost estimates, recommendations, or re-inspection services.

(e) In the event of a conflict between the general provisions set out in this section, and the specific provisions specified elsewhere in the standards of practice, specific provisions shall take precedence.

(f) Departure provision.

(1) An inspector may depart from the inspection of a component or system required by the standards of practice only if:

(A) the inspector and client agree the item is not to be inspected;

(B) the inspector is not qualified to inspect the item;

(C) in the reasonable judgment of the inspector, the inspector determines that:

(i) conditions exist that prevent inspection of an item;

(ii) conditions or materials are hazardous to the health or safety of the inspector; or

(iii) the actions of the inspector may cause damage to the property; or

(D) the item is a common element of a multi-family development and is not in physical contact with the unit being inspected, such as the foundation under another building or a part of the foundation under another unit in the same building.

(2) If an inspector departs from the inspection of a component or system required by the standards of practice, the inspector shall:

(A) notify the client at the earliest practical opportunity that the component or system will not be inspected; and

(B) make an appropriate notation on the inspection report form, stating the reason the component or system was not inspected.

(3) If the inspector routinely departs from inspection of a component or system required by the standards of practice, and the inspector has reason to believe that the property being inspected includes that component or system, the inspector shall not perform the inspection of the property until the inspector notifies the client, or the prospective client, that the component or system will not be inspected.

(g) Enforcement. Failure to comply with the standards of practice is grounds for disciplinary action as prescribed by Chapter 1102.

§535.228. Standards of Practice: Minimum Inspection Requirements for Structural Systems.

(a) Foundations.

(1) The inspector shall:

(A) render a written opinion as to the performance of the foundation;

(B) report:

(i) the type of foundations; and

(ii) the vantage point from which the crawl space was inspected;

(C) generally report present and visible indications used to render the opinion of adverse performance, such as:

(i) binding, out-of-square, non-latching doors;

(ii) framing or frieze board separations;

(iii) sloping floors;

(iv) window, wall, floor, or ceiling cracks or separations; and

(v) rotating, buckling, cracking, or deflecting masonry cladding; and

(D) report as Deficient:

(i) deteriorated materials;

(ii) deficiencies in foundation components such as; beams, joists, bridging, blocking, piers, posts, pilings, columns, sills or subfloor;

(iii) deficiencies in retaining walls related to foundation performance;

(iv) exposed or damaged reinforcement;

(v) crawl space ventilation that is not performing; and

(vi) crawl space drainage that is not performing.

(2) The inspector is not required to:

(A) enter a crawl space or any area where headroom is less than 18 inches or the access opening is less than 24 inches wide and 18 inches high;

(B) provide an exhaustive list of indicators of possible adverse performance; or

(C) inspect retaining walls not related to foundation performance.

(b) Grading and drainage.

(1) The inspector shall report as Deficient:

(A) drainage around the foundation that is not performing;

(B) deficiencies in grade levels around the foundation; and

(C) deficiencies in installed gutter and downspout systems.

(2) The inspector is not required to:

(A) inspect flatwork or detention/retention ponds (except as related to slope and drainage);

(B) determine area hydrology or the presence of underground water; or

(C) determine the efficiency or performance of underground or surface drainage systems.

(c) Roof covering materials.

(1) The inspector shall:

(A) inspect the roof covering materials by walking [~~from~~] the surface of the roof;

(B) report:

(i) type of roof coverings;

(ii) vantage point from where the roof was inspected;

(iii) evidence of water penetration; and

(iv) evidence of previous repairs to the roof covering material, flashing details, skylights and other roof penetrations; and

(C) report as Deficient deficiencies in:

(i) fasteners;

(ii) adhesion;

(iii) roof covering materials;

(iv) flashing details;

(v) skylights; and

(vi) other roof penetrations.

(2) The inspector is not required to:

(A) inspect the roof by walking [from] the surface of the roof [level] if, in the inspector's reasonable judgment:

(i) the inspector cannot safely reach or stay on the roof; or

(ii) significant damage to the roof covering materials may result from walking on the roof;

(B) determine:

(i) the remaining life expectancy of the roof covering; or

(ii) the number of layers of roof covering material;

(C) identify latent hail damage;

(D) exhaustively examine all fasteners and adhesion; or

(E) provide an exhaustive list of locations of deficiencies and water penetrations.

(d) Roof structures and attics.

(1) The inspector shall:

(A) report:

(i) the vantage point from which the attic space was inspected;

(ii) approximate average depth of attic insulation; and

(iii) evidence of water penetration; and

(B) report as Deficient:

(i) attic space ventilation that is not performing;

(ii) deflections or depressions in the roof surface as related to adverse performance of the framing and decking; and

(iii) missing insulation; and

(iv) deficiencies in:

(I) installed framing members and decking;

(II) attic access ladders and access openings; and

(III) attic ventilators.

(2) The inspector is not required to:

(A) enter attics or unfinished spaces where openings are less than 22 inches by 30 inches or headroom is less than 30 inches;

(B) operate powered ventilators; or

(C) provide an exhaustive list of locations of deficiencies and water penetrations.

(e) Interior walls, ceilings, floors, and doors.

(1) The inspector shall:

(A) report evidence of water penetration; and

(B) report as Deficient:

(i) deficiencies in the condition and performance of doors and hardware;

(ii) deficiencies related to structural performance or water penetration; and

(iii) the absence of or deficiencies in fire separation between the garage and the living space and between the garage and its attic.

(2) The inspector is not required to:

(A) report cosmetic damage or the condition of floor, wall, or ceiling coverings; paints, stains, or other surface coatings; cabinets; or countertops; or

(B) provide an exhaustive list of locations of deficiencies and water penetrations.

(f) Exterior walls, doors, and windows.

(1) The inspector shall:

(A) report evidence of water penetration; and

(B) report as Deficient:

(i) the absence of performing emergency escape and rescue openings in all sleeping rooms;

(ii) the presence of doors and emergency escape and rescue openings that require a key or special knowledge or effort;

(iii) [(ii)] an attached garage doorway that is not equipped with self-closing or automatic closing devices;

(iv) [(iii)] a door between the residence and an attached garage that is:

(I) a solid wood door less than 1-3/8 inches thick;

(II) a solid or honeycomb core steel door less than 1-3/8 inches thick; or

(III) not a 20-minute fire-rated door;

(v) [(iv)] missing or damaged screens;

(vi) [(v)] deficiencies related to structural performance or water penetration; and

(vii) [(vi)] deficiencies in:

(I) weather stripping, gaskets or other air barrier materials;

(II) claddings;

(III) water resistant materials and coatings;

(IV) flashing details and terminations;

(V) the condition and performance of exterior doors, garage doors and hardware; and

(VI) the condition and performance of windows and components.

(2) The inspector is not required to:

(A) report the condition of awnings, blinds, shutters, security devices, or other non-structural systems;

(B) determine the cosmetic condition of paints, stains, or other surface coatings;

(C) operate a lock if the key is not available; or

(D) provide an exhaustive list of locations of deficiencies and water penetrations.

(g) Exterior and interior glazing.

(1) The inspector shall report as Deficient:

(A) insulated windows that are obviously fogged or display other evidence of broken seals;

(B) deficiencies in glazing, weather stripping and glazing compound in windows and doors;

(C) the absence of safety glass in hazardous locations; and

(D) the absence of fall protection at windows that are located less than 24 inches from the finished floor and greater than 72 inches from the finished grade.

(2) The inspector is not required to:

(A) exhaustively inspect insulated windows for evidence of broken seals;

(B) exhaustively inspect glazing for identifying labels; or

(C) identify specific locations of damage.

(h) Interior and exterior stairways.

(1) The inspector shall report as Deficient:

(A) spacing between intermediate balusters, spindles, or rails for steps, stairways, guards, and railings that permit passage of an object greater than 4 inches in diameter, except that on the open side of the staircase treads, spheres less than 4-3/8 inches in diameter may pass through the guard rail balusters or spindles; and

(B) deficiencies in steps, stairways, landings, guardrails, and handrails.

(2) The inspector is not required to exhaustively measure every stairway component.

(i) Fireplaces and chimneys.

(1) The inspector shall report as Deficient:

(A) built-up creosote in accessible areas of the firebox and flue;

(B) the presence of combustible materials in near proximity to the firebox opening;

(C) the absence of fireblocking at the attic penetration of the chimney flue, where accessible; and

(D) deficiencies in the:

(i) damper;

(ii) lintel, hearth, hearth extension, and firebox;

(iii) gas fixture installed in the fireplace not associated with the gas distribution system;

(iv) circulating fan;

(v) combustion air vents; and

(vi) chimney structure, termination, coping, crown, caps, and spark arrestor.

(2) The inspector is not required to:

(A) verify the integrity of the flue;

(B) perform a chimney smoke test; or

(C) determine the adequacy of the draft.

(j) Porches, Balconies, Decks, and Carports.

(1) The inspector shall:

(A) inspect:

(i) attached balconies, carports, and porches; and

(ii) abutting porches, decks, and balconies that are used for ingress and egress; and

(B) report as Deficient:

(i) on decks 30 inches or higher above the adjacent grade, spacings between intermediate balusters, spindles, or rails that permit passage of an object greater than four inches in diameter; and

(ii) deficiencies in accessible components.

(2) The inspector is not required to:

(A) exhaustively measure every porch, balcony, deck, or attached carport components; or

(B) enter any area where headroom is less than 18 inches or the access opening is less than 24 inches wide and 18 inches high.

§535.229. Standards of Practice: Minimum Inspection Requirements for Electrical Systems.

(a) Service entrance and panels.

(1) The inspector shall report as Deficient:

(A) a drop, weatherhead or mast that is not securely fastened to the building;

(B) the absence of or deficiencies in the grounding electrode system;

(C) missing or damaged dead fronts or covers plates;

(D) conductors not protected from the edges of electrical cabinets, gutters, or cutout boxes;

(E) electrical cabinets and panel boards not appropriate for their location; such as a clothes closet, bathrooms or where they are exposed to physical damage;

(F) electrical cabinets and panel boards that are not accessible or do not have a minimum unobstructed workspace of 36-inches of clearance in front, 30-inches in width, and 78 inches in height [~~of them~~];

(G) deficiencies in:

(i) electrical cabinets, gutters, cutout boxes, and panel boards;

(ii) the insulation of the service entrance conductors, drip loop, separation of conductors at weatherheads, and clearances;

(iii) the compatibility of overcurrent devices and conductors;

(iv) the overcurrent device and circuit for labeled and listed 250 volt appliances;

(v) bonding and grounding;

(vi) conductors; and

(vii) the operation of installed ground-fault or arc-fault circuit interrupter devices; and

(H) the absence of:

(i) trip ties on 250 volt overcurrent devices or multi-wire branch circuit;

(ii) appropriate connections;

(iii) anti-oxidants on aluminum conductor terminations; and

(iv) main disconnecting means.

(2) The inspector is not required to:

(A) determine present or future sufficiency of service capacity amperage, voltage, or the capacity of the electrical system;

(B) conduct voltage drop calculations;

(C) determine the accuracy of overcurrent device labeling;

(D) remove covers where hazardous as judged by the inspector;

(E) verify the effectiveness of overcurrent devices; or

(F) operate overcurrent devices.

(b) Branch circuits, connected devices, and fixtures.

(1) The inspector shall:

(A) manually test the installed and accessible smoke and carbon monoxide alarms;

(B) report the type of branch circuit conductors; and

(C) report as Deficient:

(i) the absence of ground-fault circuit interrupter protection in all:

(I) bathroom receptacles;

(II) garage and accessory building receptacles;

(III) outdoor receptacles;

(IV) crawl space receptacles and lighting outlets;

(V) basement receptacles;

(VI) 125 volt and 250 volt receptacles that serve the kitchen [~~countertops~~];

(VII) receptacles that are located within six feet of the outside edge of a sink, shower, or bathtub;

(VIII) 125 volt and 250 volt laundry area receptacles;

(IX) indoor damp and wet location receptacles;

[~~*(X)* kitchen dishwasher receptacle; and~~]

(X) [~~*(XI)*~~] electrically heated floors; and

(XI) equipment service receptacles within 25 feet of equipment;

(ii) the absence of arc-fault protection in the following locations:

(I) kitchens;

(II) family rooms;

(III) dining rooms;

(IV) living rooms;

(V) parlors;

(VI) libraries;

(VII) dens;

(VIII) bedrooms;

(IX) sunrooms;

(X) recreation rooms;

(XI) closets;

(XII) hallways; and

(XIII) laundry area;

(iii) the failure of operation of ground-fault circuit interrupter protection devices;

(iv) missing or damaged receptacle, switch or junction box covers;

(v) the absence of:

(I) equipment disconnects; and

(II) appropriate connections, such as copper/aluminum approved devices, if branch circuit aluminum conductors are discovered in the main or sub-panel based on a random sampling of accessible receptacles and switches;

(vi) receptacles less than five and a half feet above the floor that are not tamper resistant;

(vii) deficiencies in 125 volt receptacles by determining the:

(I) presence of power;

(II) correct polarity; and

(III) presence of grounding;

(viii) deficiencies in 250 volt receptacles by determining the:

(I) presence of power; and

(II) presence of a 3-prong receptacle;

(ix) deficiencies in:

(I) switches;

(II) bonding or grounding;

(III) wiring, wiring terminations, junction boxes, devices, and fixtures, including improper location;

(IV) doorbell and chime components; and

(V) smoke and carbon monoxide alarms;

(x) improper use of extension cords;

(xi) deficiencies in or absences of conduit, where applicable;

(xii) the absence of smoke alarms:

(I) in each sleeping room;

(II) outside each separate sleeping area in the immediate vicinity of the sleeping rooms; and

(III) in the living space of each story of the dwelling; and

(xiii) the absence of carbon monoxide alarms outside each separate sleeping area in the immediate vicinity of the sleeping rooms when either of the following conditions exist:

(I) fuel fired appliance are installed in the dwelling; or

(II) an attached garage with an opening into the dwelling unit; and[~~.~~]

(xiv) the absence of carbon monoxide alarms inside each sleeping room containing a fuel fired appliance.

(2) The inspector is not required to:

(A) inspect low voltage wiring;

(B) disassemble mechanical appliances;

(C) verify the effectiveness of smoke alarms;

(D) verify interconnectivity of smoke alarms;

(E) activate smoke or carbon monoxide alarms that are or may be monitored or require the use of codes;

(F) verify that smoke alarms are suitable for the hearing-impaired;

(G) remove the covers of junction, fixture, receptacle or switch boxes unless specifically required by these standards; or

(H) test arc-fault circuit interrupter devices when the property is occupied or damage to personal property may result, in the inspector's reasonable judgment.

§535.230. Standards of Practice: Minimum Inspection Requirements for Heating, Ventilation, and Air Conditioning Systems.

(a) Heating equipment.

(1) General requirements. The inspector shall:

(A) report:

(i) the type of heating systems; and

(ii) the energy sources; and

(B) report as Deficient:

(i) inoperative units;

(ii) deficiencies in the thermostats;

(iii) inappropriate location;

(iv) the lack of protection from physical damage;

(v) burners, burner ignition devices or heating elements, switches, and thermostats that are not a minimum of 18 inches above the lowest garage floor elevation, unless the unit is listed for garage floor installation;

(vi) the absence of an opening that would allow access to equipment for inspection, service, repair or replacement without removing permanent construction or building finish;

(vii) when applicable; a floored passageway and service platform that would allow access for equipment inspection, service, repair or replacement; [~~and~~]

(viii) deficiencies in mounting and performance of window and wall units; and[~~.~~]

(ix) the lack of a permanently installed heat source.

(2) Requirements for electric units. The inspector shall report deficiencies in:

(A) performance of heat pumps;

(B) performance of heating elements; and

(C) condition of conductors; and

(3) Requirements for gas units. The inspector shall report as Deficient:

(A) gas leaks at [~~in~~] the heating equipment not associated with the gas distribution system;

(B) flame impingement, uplifting flame, improper flame color, or excessive scale buildup; and

(C) deficiencies in:

(i) combustion, and dilution air; and

(ii) the vent pipe, draft hood, draft, proximity to combustibles, and vent termination point and clearances.

(b) Cooling equipment.

(1) Requirements for cooling units other than evaporative coolers.

(A) the inspector shall:

(i) report the type of systems;

(ii) measure and report the temperature difference between the supply air and the returned air or report industry-accepted method used to determine performance; and

(iii) generally report extraneous factors or conditions, present on the day of the inspection, that would adversely impact the temperature differential of an otherwise performing unit; and

(B) the inspector shall report as Deficient:

(i) inoperative units;

(ii) deficiencies in the performance of the cooling system that:

(I) fails to achieve a 15 degrees Fahrenheit to 22 degrees Fahrenheit temperature differential; or

(II) fails to cool adequately as determined by other industry-accepted methods;

(iii) the absence of an opening that would allow access to equipment for inspection, service, repair or replacement without removing permanent construction or building finish;

(iv) when applicable; a floored passageway and service platform that would allow access for equipment inspection, service, repair or replacement;

(v) noticeable vibration of blowers or fans;

(vi) water in the auxiliary/secondary drain pan;

(vii) a primary drain pipe that discharges in a sewer vent;

(viii) missing or deficient refrigerant pipe insulation;

(ix) dirty coils, where accessible;

(x) condensing units lacking adequate clearances or air circulation or that has deficiencies in the fins, location, levelness, or elevation above grade surfaces; and

(xi) deficiencies in:

(I) the condensate drain and auxiliary/secondary pan and drain system;

(II) mounting and performance of window or wall units; and

(III) thermostats.

(2) Requirements for evaporative coolers.

(A) the inspector shall report:

(i) type of systems; and

(ii) the type of water supply line; and

(B) the inspector shall report as Deficient:

(i) inoperative units;

(ii) inadequate access and clearances;

(iii) deficiencies in performance or mounting;

(iv) missing or damaged components;

(v) the presence of active water leaks; and

(vi) the absence of backflow prevention.

(c) Duct systems, chases, and vents.

(1) the inspector shall report as Deficient:

(A) damaged duct systems or improper material;

(B) damaged or missing duct insulation;

(C) the absence of air flow at accessible supply registers;

(D) the presence of gas piping and sewer vents concealed in ducts, plenums and chases;

(E) present and visible exposed electrical conductors or equipment;

(F) [~~(E)~~] ducts or plenums in contact with earth; and

(G) [~~(F)~~] deficiencies in:

(i) filters;

(ii) grills or registers; and

(iii) the location of return air openings.

(d) For heating, ventilation, and air conditioning systems inspected under this section, the inspector is not required to perform the following actions:

(1) program digital thermostats or controls;

(2) inspect:

(A) for pressure of the system refrigerant, type of refrigerant, or refrigerant leaks;

(B) winterized or decommissioned equipment; or

(C) duct fans, humidifiers, dehumidifiers, air purifiers, motorized dampers, electronic air filters, multi-stage controllers, sequencers, heat reclaimers, wood burning stoves, boilers, oil-fired units, supplemental heating appliances, de-icing provisions, or reversing valves;

(3) operate:

(A) setback features on thermostats or controls;

(B) radiant heaters, steam heat systems, or unvented gas-fired heating appliances; or

(C) cooling or heating systems when weather conditions or other circumstances may cause equipment damage, including:

(i) cooling equipment when the outdoor temperature is less than 60 degrees Fahrenheit; and

(ii) heat pumps, in the heat pump mode, when the outdoor temperature is above 70 degrees Fahrenheit;

(4) verify:

(A) compatibility of components;

(B) tonnage and manufacturer match of indoor coils and outside coils or condensing units;

(C) the accuracy of thermostats; or

(D) the integrity of the heat exchanger; or

(5) determine:

(A) sizing, efficiency, or adequacy of the system;

(B) balanced air flow of the conditioned air to the various parts of the building; or

(C) types of materials contained in insulation.

(e) Range hoods and exhaust systems. The inspector shall report as Deficient:

(1) inoperative units;

(2) deficiencies in performance or mounting;

(3) missing or damaged components;

(4) ducts that do not terminate outside the building, if the unit is not of a re-circulating type or configuration; and

(5) improper duct material.

(f) Mechanical exhaust systems and bathroom heaters. The inspector shall report as Deficient:

(1) the lack of mechanical ventilation in a bathroom if no operable window is present;

(2) inoperative units;

(3) deficiencies in performance or mounting;

(4) missing or damaged components;

(5) ducts that do not terminate outside the building; and

(6) a gas heater that is not vented to the exterior of the building unless the unit is listed as an unvented type.

(g) Dryer exhaust systems. The inspector shall report as Deficient:

(1) missing or damaged components;

(2) the absence of a dryer exhaust system when provisions are present for a dryer;

(3) ducts that do not terminate to the outside of the building;

(4) screened terminations; and

(5) ducts that are not made of metal with a smooth interior finish.

§535.231. Standards of Practice: Minimum Inspection Requirements for Plumbing Systems.

(a) Plumbing systems.

(1) The inspector shall:

(A) report:

(i) location of water meter;

(ii) location of homeowners main water supply shutoff valve; and

(iii) static water pressure;

(iv) visible material used for water supply lines and drain lines;

(B) report as Deficient:

(i) the presence of active leaks;

(ii) water pressure exceeding 80 PSI;

(iii) the lack of a pressure reducing valve when the water pressure exceeds 80 PSI;

(iv) the lack of a visible expansion control device [~~tank~~] when a pressure reducing valve, check valve, or backflow preventer is in place at the water supply line/system;

(v) the absence of:

(I) fixture shutoff valves;

(II) dielectric unions, when applicable;

(III) back-flow devices, including when irrigation systems are installed, anti-siphon devices, or air gaps at the flow end of fixtures; and

(vi) deficiencies in:

(I) water supply pipes and waste pipes;

(II) the installation and termination of the vent system;

(III) the performance of fixtures and faucets not connected to an appliance;

(IV) water supply, as determined by viewing functional flow in two fixtures operated simultaneously;

(V) fixture drain performance;

(VI) orientation of hot and cold faucets;

(VII) installed mechanical drain stops; and

(VIII) commodes, fixtures, showers, tubs, and enclosures.[~~; and~~]

[~~*(IX)* the condition of the gas distribution system.~~]

(2) The inspector is not required to:

(A) operate any main, branch, or shut-off valves;

(B) operate or inspect sump pumps or waste ejector pumps;

(C) verify the performance of:

(i) the bathtub overflow;

(ii) clothes washing machine drains or hose bibbs; or

(iii) floor drains;

(D) inspect:

(i) any system that has been winterized, shut down or otherwise secured;

(ii) circulating pumps, free-standing appliances, solar water heating systems, water-conditioning equipment, filter systems, water mains, private water supply systems, water wells, pressure tanks, sprinkler systems, swimming pools, or fire sprinkler systems;

[~~*(iii)* inaccessible gas supply system components for leaks;~~]

(iii) [~~(iv)~~] for sewer clean-outs; or

(iv) [~~(v)~~] for the presence or performance of private sewage disposal systems; or

(E) determine:

(i) quality, potability, or volume of the water supply; or

(ii) effectiveness of backflow or anti-siphon devices.

(b) Water heaters.

(1) General Requirements.

(A) The inspector shall:

(i) report:

(I) the energy source;

(II) the capacity of the units;

(ii) report as Deficient:

(I) inoperative units;

(II) leaking or corroded fittings or tanks;

(III) damaged or missing components;

(IV) the absence of a cold water shutoff valve;

(V) if applicable, the absence of a pan or a pan drain system that does not terminate over a waste receptor or to the exterior of the building above the ground surface;

(VI) inappropriate locations;

(VII) the lack of protection from physical damage;

(VIII) burners, burner ignition devices or heating elements, switches, or thermostats that are not a minimum of 18 inches above the lowest garage floor elevation, unless the unit is listed for garage floor installation;

(IX) the absence of an opening that would allow access to equipment for inspection, service, repair or replacement without removing permanent construction or building finish;

(X) when applicable; a floored passageway and service platform that would allow access for equipment inspection, service, repair or replacement;

(XI) the absence of or visible deficiencies in the temperature and pressure relief valve and discharge piping; and

(XII) a temperature and pressure relief valve that failed to operate, when tested manually.

(B) The inspector is not required to:

(i) verify the effectiveness of the temperature and pressure relief valve, discharge piping, or pan drain pipes;

(ii) operate the temperature and pressure relief valve if the operation of the valve may, in the inspector's reasonable judgment, cause damage to persons or property; or

(iii) determine the efficiency or adequacy of the unit.

(2) Requirements for electric units. The inspector shall report as Deficient deficiencies in:

(A) performance of heating elements; and

(B) condition of conductors; and

(3) Requirements for gas units. The inspector shall report as Deficient:

(A) gas leaks in water heater not associated with the gas distribution system;

(B) flame impingement, uplifting flame, improper flame color, or excessive scale build-up; and

(C) deficiencies in:

(i) combustion and dilution air; and

(ii) vent pipe, draft hood, draft, proximity to combustibles, and vent termination point and clearances; and[.]

(iii) pan and pan materials.

(c) Hydro-massage therapy equipment.

(1) The inspector shall report as Deficient:

(A) inoperative units;

(B) the presence of active leaks;

(C) deficiencies in components and performance;

(D) missing and damaged components;

(E) the absence of an opening that would allow access to equipment for inspection, service, repair or replacement without removing permanent construction or building finish; and

(F) the absence or failure of operation of ground-fault circuit interrupter protection devices; and[.]

(G) a pump motor, blower, or other electrical equipment that lacks bonding.

(2) The inspector is not required to determine the adequacy of self-draining features of circulation systems.

(d) Gas distribution systems.

(1) The inspector shall:

(A) report:

(i) location of gas meter; and

(ii) visible material used for gas distribution system;

(B) report as Deficient:

(i) noticeable gas leaks;

(ii) the absence of a gas shutoff valve within six feet of the appliance;

(iii) the absence of a gas appliance connector or one that exceeds six feet in length;

(iv) gas appliance connectors that are concealed within or extended through walls, floors, partitions, ceilings or appliance housings;

(v) deficiencies in:

(I) gas shutoff valves;

(II) access to a gas shutoff valves that prohibits full operation;

(III) gas appliance connector materials; and

(IV) the condition and type of gas distribution lines and fittings;

(vi) lack of visible bonding on gas distribution system, including corrugated stainless steel tubing (CSST); and

(vii) lack of visible sediment traps.

(2) Specific limitation for gas lines. The inspector is not required to:

(A) inspect:

(i) sacrificial anode bonding or for its existence; or

(ii) inaccessible gas supply system components for leaks;

(B) pressurize or test gas system, drip legs or shutoff valves;

(C) operate gas line shutoff valves; or

(D) light or ignite pilot flames.

§535.232. Standards of Practice: Minimum Inspection Requirements for Appliances.

(a) Dishwashers. The inspector shall report as Deficient:

(1) inoperative units;

(2) deficiencies in performance or mounting;

(3) rusted, missing or damaged components;

(4) the presence of visible active water leaks; and

(5) the absence of visible backflow prevention.

(b) Food waste disposers. The inspector shall report as Deficient:

(1) inoperative units;

(2) deficiencies in performance or mounting;

(3) missing or damaged components; and

(4) the presence of visible active water leaks.

[~~(c) Range hoods and exhaust systems. The inspector shall report as Deficient:~~]

[~~(1) inoperative units;~~]

[~~(2) deficiencies in performance or mounting;~~]

[~~(3) missing or damaged components;~~]

[~~(4) ducts that do not terminate outside the building, if the unit is not of a re-circulating type or configuration; and~~]

[~~(5) improper duct material.~~]

(c) [~~(d)~~] Electric or gas ranges, cooktops, and ovens. The inspector shall report as Deficient:

(1) inoperative units;

(2) missing or damaged components;

(3) combustible material within thirty inches above the cook top burners;

(4) absence of an anti-tip device, if applicable;

(5) gas leaks in the gas range, cooktops and ovens not associated with the gas distribution system; and

(6) deficiencies in:

(A) thermostat accuracy (within 25 degrees Fahrenheit at a setting of 350 degrees Fahrenheit); and

(B) mounting and performance.

(d) [~~(e)~~] Microwave ovens. The inspector shall inspect built-in units and report as Deficient:

(1) inoperative units;

(2) deficiencies in performance or mounting; and

(3) missing or damaged components.

[~~(f) Mechanical exhaust systems and bathroom heaters. The inspector shall report as Deficient:~~]

[~~(1) the lack of mechanical ventilation in a bathroom if no operable window is present;~~]

[~~(2) inoperative units;~~]

[~~(3) deficiencies in performance or mounting;~~]

[~~(4) missing or damaged components;~~]

[~~(5) ducts that do not terminate outside the building; and~~]

[~~(6) a gas heater that is not vented to the exterior of the building unless the unit is listed as an unvented type.~~]

(e) [~~(g)~~] Garage door operators. The inspector shall report as Deficient:

(1) inoperative units;

(2) deficiencies in performance or mounting;

(3) missing or damaged components;

(4) installed photoelectric sensors located more than six inches above the garage floor;

(5) deficiencies in performance or absence of auto reversing mechanisms and manual detachment device; and

(6) door locks or side ropes that have not been removed or disabled.

[~~(h) Dryer exhaust systems. The inspector shall report as Deficient:~~]

[~~(1) missing or damaged components;~~]

[~~(2) the absence of a dryer exhaust system when provisions are present for a dryer;~~]

[~~(3) ducts that do not terminate to the outside of the building;~~]

[~~(4) screened terminations; and~~]

[~~(5) ducts that are not made of metal with a smooth interior finish.~~]

(f) [~~(i)~~] General provisions. The inspector is not required to:

(1) operate or determine the condition of other auxiliary components of inspected items;

(2) test for microwave oven radiation leaks;

(3) inspect self-cleaning functions;

(4) disassemble appliances;

(5) determine the adequacy of venting systems;

(6) determine proper routing and lengths of duct systems;

(7) operate or determine the condition of clothes washer, clothes dryer, or refrigerator; or

(8) operate or determine the condition of other built in appliances, except as provided for under §535.233(h), of this title.

§535.233. Standards of Practice: Minimum Inspection Requirements for Optional Systems.

(a) An inspector is not required to inspect the components or systems described under this section.

(b) If an inspector agrees to inspect a component or system described under this section, the general provisions under §535.227 of this title and the provisions and requirements of this section applicable to that component or system apply.

(c) Landscape irrigation (sprinkler) systems.

(1) The inspector shall:

(A) manually operate all zones or stations on the system through the controller;

(B) report as Deficient:

(i) the absence of a rain or moisture sensor,

(ii) inoperative zone valves;

(iii) surface water leaks;

(iv) the absence of a backflow prevention device;

(v) the absence of shutoff valves between the water meter and backflow device;

(vi) deficiencies in the performance and mounting of the controller;

(vii) missing or damaged components; and

(viii) deficiencies in the performance of the water emission devices; such as, sprayer heads, rotary sprinkler heads, bubblers or drip lines.

(2) The inspector is not required to inspect:

(A) for effective coverage of the irrigation system;

(B) the automatic function of the controller;

(C) the effectiveness of the sensors; such as, rain, moisture, wind, flow or freeze sensors;

(D) sizing and effectiveness of backflow prevention device; or

(E) report on the performance of an underground zone.

(d) Swimming pools, spas, hot tubs, and equipment.

(1) The inspector shall:

(A) report the type of construction;

(B) report as Deficient:

(i) the presence of a single blockable main drain (potential entrapment hazard);

(ii) a pump motor, blower, or other electrical equipment that lacks bonding;

(iii) the absence of or deficiencies in safety barriers;

(iv) water leaks in above-ground pipes and equipment;

(v) the absence or failure in performance of ground-fault circuit interrupter protection devices; and

(vi) deficiencies in:

(I) surfaces;

(II) tiles, coping, and decks;

(III) slides, steps, diving boards, handrails, and other equipment;

(IV) drains, skimmers, and valves;

(V) filters, gauges, pumps, motors, controls, and sweeps;

(VI) lighting fixtures; and

(VII) the pool heater that these standards of practice require to be reported for the heating system.

(2) The inspector is not required to:

(A) disassemble filters or dismantle or otherwise open any components or lines;

(B) operate valves;

(C) uncover or excavate any lines or concealed components of the system;

(D) fill the pool, spa, or hot tub with water;

(E) inspect any system that has been winterized, shut down, or otherwise secured;

(F) determine the presence of sub-surface water tables;

(G) determine the effectiveness of entrapment covers;

(H) determine the presence of pool shell or sub-surface leaks; or

(I) inspect ancillary equipment such as computer controls, covers, chlorinators or other chemical dispensers, or water ionization devices or conditioners other than required by this section.

(e) Outbuildings.

(1) The inspector shall report as Deficient the absence or failure in performance of ground-fault circuit interrupter protection devices in grade-level portions of unfinished accessory buildings used for storage or work areas, boathouses, and boat hoists; and

(2) The inspector shall report as Deficient deficiencies in the structural, electrical, plumbing, heating, ventilation, and cooling systems that these standards of practice require to be reported for the principal building.

(f) Private water wells.

(1) The inspector shall:

(A) operate at least two fixtures simultaneously;

(B) recommend or arrange to have performed coliform testing;

(C) report:

(i) the type of pump and storage equipment;

(ii) the proximity of any known septic system; and

(D) report as Deficient deficiencies in:

(i) water pressure and flow and performance of pressure switches;

(ii) the condition of accessible equipment and components; and

(iii) the well head, including improper site drainage and clearances.

(2) The inspector is not required to:

(A) open, uncover, or remove the pump, heads, screens, lines, or other components of the system;

(B) determine the reliability of the water supply or source; or

(C) locate or verify underground water leaks.

(g) Private sewage disposal systems.

(1) The inspector shall:

(A) inspect:

(i) by opening panels, lids, covers, risers or manholes intended for service or inspection;

(ii) visible system components, including the interior of the tanks; and

(iii) by excavating a lid, cover, riser, or manhole if it is below grade; and

(B) [~~(A)~~] report:

(i) the type of system;

(ii) the location of the drain or distribution field; and

(iii) the proximity of any known water wells, underground cisterns, water supply lines, bodies of water, sharp slopes or breaks, easement lines, property lines, soil absorption systems, swimming pools, or sprinkler systems; and

(iv) any components of the system that were not accessible and could not be inspected; and

(C) [~~(B)~~] report as Deficient:

(i) visual or olfactory evidence of effluent seepage or flow at the surface of the ground;

(ii) inoperative aerators, [~~or~~] dosing pumps, floats, alarms, or control panels; and

(iii) deficiencies in:

(I) accessible components;

(II) functional flow;

(III) site drainage and clearances around or adjacent to the system; and

(IV) the aerobic discharge system;[~~.~~]

(iv) the absence of fasteners in plastic risers or lids; and

(v) the absence of safety barriers in the risers.

(2) The inspector is not required to:

[~~(A) excavate or uncover the system or its components;~~]

(A) [~~(B)~~] determine the size, adequacy, or efficiency of the system; or

(B) [~~(C)~~] determine the type of construction used.

(h) Sewer line inspections by camera or scope.

(1) The inspector shall:

(A) inspect the drain line by camera or scope from the cleanout or other access point to the city's sewer connection or a septic tank, and the end of the accessible interior drain line;

(B) report pipe material; and

(C) report as Deficient:

(i) blockages, debris, cracks, or root intrusion;

(ii) deterioration, corrosion, misalignment or other damage to the condition of the pipe;

(iii) bellies or sagging sections of the pipe where waste can collect;

(iv) improper slope;

(v) evidence of leaking; and

(vi) separated joints.

(2) The inspector is not required to:

(A) inspect all branches of drains, waste, or vent lines;

(B) inspect from a roof vent;

(C) locate deficiencies with a sonde locator;

(D) inspect portions of the drain line over 100' from a cleanout or access point; or

(E) inspect portions past obstructions that, in the inspector's opinion, risk damage to the inspector's equipment.

(i) [(h)] Other built-in appliances. The inspector shall report deficiencies in condition or operation of other built-in appliances not listed under §535.232 of this title.

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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Abby Lee
General Counsel
Texas Real Estate Commission
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TITLE 28. INSURANCE

PART 1. TEXAS DEPARTMENT OF INSURANCE

CHAPTER 5. PROPERTY AND CASUALTY INSURANCE

SUBCHAPTER O. STATISTICAL PLANS

28 TAC §5.9501

The Texas Department of Insurance (TDI) proposes amendments to 28 TAC §5.9501, concerning the *Texas Commercial Lines Statistical Plan* (Commercial Plan). Amendments to the Commercial Plan are necessary to enable insurers to report data on the reasons insurers give consumers for the declination, cancellation, or nonrenewal of certain direct commercial and miscellaneous personal insurance policies, as required by House Bill 2067, 89th Legislature, 2025.

EXPLANATION. HB 2067 amends Insurance Code Chapter 551 to require insurers to disclose their reasons for cancellation or nonrenewal of an existing insurance policy or for declination of an application. HB 2067 also requires that insurers provide to TDI--at least once a quarter and in the form and manner TDI prescribes--a written report organized by ZIP code that summarizes the reasons that were provided to consumers. The bill also requires TDI to post an aggregated summary of the reports on its website. To implement HB 2067 as to certain personal lines, TDI adopted by reference updated versions of the *Texas Statistical Plan for Residential Risks* and the *Texas Private Passenger Auto Statistical Plan*, which became effective on February 4, 2026, for use starting on April 1, 2026.

Amendments to §5.9501 propose to adopt by reference a revised version of the Commercial Plan, updated to require insurers to include data by ZIP code relating to the reasons for coverage decisions in the statistical reports submitted to TDI's statistical agents. Insurers will report the data for farm and ranch and farm and ranchowners lines on a monthly basis and the data for all other lines covered by the Commercial Plan on a quarterly basis, aligning with current reporting frequency. The proposed revisions to the Commercial Plan will facilitate insurers' reporting of the data and TDI's collection and posting of an aggregated summary of the data reports, in compliance with HB 2067. The Commercial Plan will provide codes to be used as shorthand for various common reasons an insurer would decline an application or cancel or not renew a policy.

In the Commercial Plan, newly added Section K describes the requirements, instructions, record layout, and field definitions for reason-code reporting for certain liability, property, businessowners, commercial auto, miscellaneous commercial, fidelity and surety, and miscellaneous personal lines of insurance covered by the current version of the Commercial Plan. New Section M is added to describe the requirements, instructions, record layout, and field definitions for reason-code reporting for farm and ranch and farm and ranchowners lines of insurance. Conforming revisions are made to the existing sections of the plan.

Insurers should note that the reason codes are provided only for use in a statistical plan report submitted to TDI's statistical agents. TDI expects that in notices or disclosures of reasons to consumers, as required by HB 2067, insurers will provide a comprehensive description or explanation of the reasons for a specific declination, cancellation, or nonrenewal; the insurer should *not* rely on TDI's reason codes in its consumer notices or disclosures. TDI anticipates that reason-code updates will be needed to align future data reports with the evolving insurance market, address stakeholder feedback, or improve the usefulness of collected data.

Consistent with Insurance Code §§551.002(c), 551.055, and 551.109, the new reason-code reporting requirements include an indicator for reasons that include the use of third-party information. The reason-source indicator requires insurers to specify whether the reasons for a declination, cancellation, or nonrenewal were based on the use of aerial imagery versus other types of third-party information. An indicator for cancellations that occur during the first 60 days of an initial policy term is also included.

As instructed in the revised Commercial Plan, the reason-related reporting requirements will apply to all declinations, cancellations, and nonrenewals starting on October 1, 2026, except for:

(1) declination of an application that was made before October 1, 2026; and

(2) cancellation of a policy that was delivered, issued for delivery, or renewed before October 1, 2026.

TDI also proposes to add new reporting requirements for additional reports of the numbers of declined applications and canceled and nonrenewed policies by ZIP code. New Sections L and N are added to the Commercial Plan to provide the requirements,

instructions, record layout, and field definitions for reporting the data for the different lines of insurance. Conforming revisions are made to the existing sections of the plan.

In addition to the revisions to implement HB 2067 and Insurance Code Chapter 38, Subchapter E, proposed revisions to current sections of the Commercial Plan relating to the reporting of premium and loss data in the experience reports (i.e., experience report updates) include correcting errors, updating reference tables, and removing obsolete technology references. During the last update of the Commercial Plan adopted in 2016, a map of territory codes was inadvertently removed from Attachment A-3 of the Quarterly Liability Experience Report section; because the map is no longer needed, TDI does not propose to reinsert the map. In the Record Layout for Loss Transactions of the Quarterly Fidelity & Surety Experience Report section, the field length for the Report Date is corrected to six digits instead of five. Attachment 2 of the General Reporting Instructions, which sets forth the Annual Statement Line of Business Codes, is updated to reflect current National Association of Insurance Commissioners lines of business. A missing word is inserted in Attachment 3 to the General Reporting Instructions.

References to obsolete technology (magnetic tape) and reporting mediums (cartridge, diskette, CD) are replaced with instructions for electronic submission in General Reporting Instructions Nos. 5 - 7 (consolidated down to revised Nos. 5 and 6); in General Rules Nos. 17 and 23 for the Farm and Ranch Annual Experience Report (FR) section; and in General Rules Nos. 18 and 24 for the Farm and Ranchowners Annual Experience Report (FRO) section. General Rules No. 24 in the FR section and General Rules No. 25 in the FRO section addressing obsolete technology are deleted.

Additional proposed revisions to the FR and FRO sections (Sections H and I) include adding new codes to reflect market developments, aligning reporting requirements with current industry practices, removing obsolete reporting requirements, and making clarifying edits. General Rules No. 22 of the FR section and General Rules No. 23 of the FRO section address the designation of the statistical agent for residential property insurance. For clarity and to avoid confusion about the lines of business covered by the term "residential property" as used in the Commercial Plan, references to "residential property" are changed to "farm and ranch" and "farm and ranchowners," respectively, in each section.

New classification codes for unmanned aerial systems are added in the subsections titled Coding Section - Premium and Loss and Coding Guidelines - Premium in the FR section and the Coding Guidelines - Premium subsection in the FRO section. These additions will allow reporting of scheduled farm personal property that reflects the use of technology by property owners to monitor and manage their lands.

The proposed experience report updates also add a new field to accommodate larger deductibles. At least one insurer has inquired about reporting deductible amounts that exceed $999,999 or span seven digits. Because the current FR and FRO sections allocate six positions for reporting the deductible amount, insurers currently report "999999" in the deductible field when the deductible is seven digits.

Since the existing deductible field has six positions and there is not room in the record layout to expand the positions, a new field called "large deductible programs" has been added where seven positions in the record layout are available. Insurers will report under one field or the other but not both. If an insurer offers deductibles that exceed $999,999, the insurer would report all its deductible amounts under the new large deductible program field, and report zeroes in the existing deductible field. If an insurer does not offer deductibles that exceed $999,999, the insurer would report all its deductible amounts under the currently existing deductible field and then report zeroes under the large deductible program field. Updated instructions and record layouts for reporting deductibles have been added to General Rules No. 15, Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses in the FR section and to General Rules No. 16, Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses in the FRO section. The proposed addition of the large deductible program field addresses limitations in the current plan that make reporting of accurate statistical data difficult.

TDI proposes to remove obsolete reporting requirements for the Tear Out and Replacement of Building and Land Coverage Endorsement, which reflects limited coverage for tear out and replacement of buildings and land in order to access a plumbing drain system located within or under the slab or foundation. The endorsement was part of the benchmark rating system, which used the Texas Personal Lines Manual (TPLM). Senate Bill 1499, 75th Legislature, 1997, changed the regulation of farm and ranch and farm and ranchowners insurance so that these lines were regulated as commercial property insurance and no longer subject to the benchmark rating system and the TPLM. The TPLM subsequently became obsolete when the Texas Legislature passed Senate Bill 14, 78th Legislature, 2003, which replaced the benchmark rating system. The now-obsolete references and instructions for the Tear Out and Replacement of Building and Land Coverage Endorsement are removed from General Rules No. 25 and the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FR section and General Rules No. 26 and the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FRO section.

TDI also proposes to remove obsolete references to coverages and sublines under the Property Protection Program (PPP). Insurance Code Article 5.35-3 authorized the PPP to provide residential property insurance coverage against loss to real or tangible personal property at a fixed location provided in a homeowners policy, residential fire and allied lines policy, or farm and ranchowners policy. Under House Bill 2017, 79th Legislature, 2005, Article 5.35 was subsequently recodified as Insurance Code Chapter 2004 and references to the PPP were removed. Because the program no longer exists, references to coverage under the PPP have been removed from the Coding Section -Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses subsections of the FR section and from the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FRO section.

Because insurers are no longer required by the statistical agent to submit a formal affidavit with report filings, TDI proposes to remove the requirement for a formal affidavit from General Rules No. 4 in both the FR and FRO sections.

Several experience report updates are made to reflect current industry practice. New codes for additional policy forms, endorsements, and coverage are added. These include codes added to the Coding Section - Premium and Loss and the Coding Guidelines - Premium subsections in both the FR and FRO sections to reflect policy forms used in the market for two additional farm insurance programs, an Independent Farm Program and the

American Association of Insurance Services (AAIS) Farm Program. Codes are also added for Farm and Ranchowners Tenant Policies and related tenant forms in the Coding Section - Premium and Loss, the Coding Guidelines - Premium, and the Coding Guidelines - Losses subsections of the FRO section. Similarly, a new code for policies with an "Individual Company Enhancement Endorsement" is added to the Coding Guidelines - Premium subsection in the FR section. Coverage, classification, and subline codes for liability are added to the Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses subsection in the FR section to accommodate current reporting practices for liability coverage offered by farm and ranch insurers.

In addition, a new code for reinstatements of pro rata cancellations is added to the record type in the Coding Guidelines - Premium subsection of the FR and FRO sections to accommodate current reporting practices.

As clean-up, asterisks are deleted from code column entries for SKIP fields throughout both the FR and FRO sections. Asterisks in the Codes column are used to distinguish entries made by the reporting company that do not have designated codes. For a SKIP field, the Codes column entry must be blank because the field is a placeholder not currently intended for any data. An asterisk is also added to some fields where the asterisk was inadvertently shifted from the field listed above or below the SKIP field.

Because the Commercial Plan is available on TDI's website, the description of the plan in "loose leaf form" and how pages are revised or reprinted has also been deleted in General Rules No. 1 in both the FR and FRO sections. General Rules No. 17 of the FR section and General Rules No. 18 of the FRO section are revised to clarify who should submit the annual reconciliation and also clarify that reports should be submitted to TDI's statistical agent.

TDI also proposes nonsubstantive changes throughout the Commercial Plan, including typo, grammatical, and other corrections; plain language edits; TDI division name and contact information updates; updates to the name and contact information for one of the statistical agents; and style and formatting changes to reflect current TDI style preferences. A revision also clarifies that the lines of business covered by the Commercial Plan include miscellaneous personal lines, as stated in General Reporting Instructions No. 3.

Proposed amendments to §5.9501 implement HB 2067 by adopting by reference the updated version of the Commercial Plan, which is revised to add requirements and instructions for reporting data on the reasons for declinations, cancellations, and nonrenewals of certain direct commercial and miscellaneous personal insurance policies.

Proposed amendments to subsection (a)(1) provide an expanded statement of the purpose of the section: to establish requirements for data reporting by certain direct commercial lines and miscellaneous personal lines insurers under Insurance Code §38.001, §551.006, and Chapter 38. In addition to the new citations to §38.001 and §551.006, a title is added to the existing reference to Chapter 38 to conform to agency style. The reference to "miscellaneous personal lines" is added for clarity; the Commercial Plan applies to "miscellaneous personal lines" business in Texas as well as direct commercial lines.

A proposed amendment deletes subsection (a)(2) to remove the unnecessary statement that the commissioner has designated a statistical agent for commercial lines of insurance.

The first sentence of subsection (a)(3) is redesignated as subsection (a)(2), and proposed amendments replace references to reporting of premium and loss cost experience under Insurance Code §38.205 with a broader reference to the reporting requirements described in the Commercial Plan. The word "all" is deleted to avoid confusion about the insurers subject to the rule, a reference to "miscellaneous personal lines" is added for clarity, and to conform to current agency style, a title is added to the reference to Insurance Code §38.202 and the title of the Commercial Plan is italicized.

Proposed amendments to the second sentence of current subsection (a)(3) designate it as the new (a)(3) and change the word "report" to the plural form to clarify that all reports must comply with the Commercial Plan. In addition, the title of the Commercial Plan in the subsection is italicized.

A proposed amendment to subsection (a)(4) updates the effective date of the Commercial Plan to October 1, 2026.

Similarly, proposed amendments to subsection (b) update the effective date of the revised version of the Commercial Plan to be adopted by reference to October 1, 2026, and italicize the plan title. In addition, the statement about the availability of the Commercial Plan on TDI's website is shortened for clarity.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Nicole Elliott, director and chief actuary, Property and Casualty Actuarial Office, 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 statute. Ms. Elliott 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 amendment.

Ms. Elliott 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. Elliott expects that administering them will have the public benefit of ensuring that TDI's rules conform to the Insurance Code as amended by HB 2067. Also, the proposed new data reporting requirements in the Commercial Plan are limited in scope but serve an important purpose: the information collected is essential to protect consumers and to provide TDI with the necessary data to evaluate market activity and track trends to determine whether agency action is necessary. The data collection is also necessary to enable TDI to access and fulfill its statutory obligation to post an aggregated summary of insurer reports on TDI's website, as required under Insurance Code §551.006(b). By providing a uniform and consistent form and manner for insurers to report the new data to TDI's statistical agents, the proposed new sections will also decrease compliance costs over time for insurers.

Ms. Elliott expects that the proposed amendments will impose an economic cost on persons required to comply with them.

Under the proposed statistical plan revisions, certain property and casualty insurers will be required to provide to TDI written reports summarizing their reasons for declination, cancellation,

or nonrenewal of insurance applications or policies, as required by Insurance Code Chapter 551.

Compliance costs may include initial systems setup and process integration. TDI anticipates the proposal will impose costs on insurers from integrating the tracking, collection, and reporting of the new data into their current computer systems, databases, and business processes that are used to report existing data requirements in the Commercial Plan. These updates will be needed to ensure that insurers' systems and processes comply with the proposed new data collection and reporting requirements in the plan. Depending on the individual computer system, this integration may require significant system development, while computer systems with advanced functionality may require only minor system modifications. Insurers may need to ensure that their computer and database systems can perform system queries to extract the new categories of data and convert internal data and fields or codes to the formats prescribed by the proposed revised Commercial Plan. Costs may differ depending on how insurers choose to track, collect, and conform the data to the plan's requirements.

TDI estimates that these system and process updates may require the services of computer and information system managers, database architects, database administrators, computer systems analysts, and computer programmers. While it is not feasible to determine the actual amount of time it would take these professionals to complete their respective tasks, TDI estimates that it could take each profession type 50 - 100 hours. Based on the Occupational Employment and Wage Statistics estimates for Texas published by the U.S. Department of Labor (DOL), Bureau of Labor Statistics (BLS) (May 2024; data.bls.gov/oes/#/area/4800000), the mean hourly wages for these professions are as follows: $84.06 for a computer and information system manager, $65.83 for a database architect, $52.56 for a database administrator, $54.98 for a computer systems analyst, and $44.02 for a computer programmer. The actual number, types, and cost of personnel will be determined by the insurer's existing data systems, business processes, and staffing and its business decisions relating to the method of compliance.

There may also be costs associated with legal and compliance review to ensure that insurers' updated systems and processes comply with the proposed new reporting requirements. Insurers may also need to update their standard operating procedures, underwriting manuals, procedural and process documents, and other internal documentation to reflect the new system and process updates. In addition, insurance company staff will likely require training to implement the system and process updates.

TDI estimates that the compliance review and implementation efforts previously described may require the services of attorneys, compliance officers, office and administrative support staff, and first-line administrative supervisors. While it is not feasible to determine the actual amount of time it would take any professional to complete their respective tasks, TDI estimates that it could take each profession type 50 - 100 hours. Based on the Occupational Employment and Wage Statistics estimates for Texas (DOL, BLS; May 2024; data.bls.gov/oes/#/area/4800000), the mean hourly wages for these professions are as follows: $78.29 for an attorney, $37.76 for a compliance officer, $22.62 for an office and administrative support worker, and $33.94 for a first-line supervisor of office and administrative support staff. The actual number, types, and cost of personnel will be determined by the insurer's existing data systems, business processes, and staffing and its business decisions relating to the method of compliance.

In addition to the initial implementation and compliance review costs, insurers will likely incur ongoing costs for reporting the new data to TDI's statistical agents on a monthly or quarterly basis. Because of automation or integration with existing systems, these ongoing costs for computer and database system updates are not expected to be significant for most insurers. Other ongoing costs might arise from data retrieval and aggregation, administrative and internal compliance review of reports, and staff training, as well as collaborations with the designated statistical agents for data verification and error correction cycles.

TDI estimates that these ongoing implementation tasks may require the services of computer and information system managers, database administrators, office and administrative support workers, and compliance officers. While it is not feasible to determine the actual amount of time it would take any professional to complete their respective tasks, TDI estimates that it could take each profession type 25 - 50 hours for each reporting period. Based on the Occupational Employment and Wage Statistic estimates for Texas (DOL, BLS; May 2024; data.bls.gov/oes/#/area/4800000), the mean hourly wages for these professions are as follows: $84.06 for a computer and information system manager, $52.56 for a database administrator, $22.62 for an office and administrative support worker, $33.94 for a first-line supervisor of office and administrative support staff, and $37.76 for a compliance officer. The actual number, types, and cost of personnel will be determined by the insurer's existing data systems, business processes, and staffing and its business decisions relating to the method of compliance.

Insurers will also be required to report the numbers of declined applications and canceled or nonrenewed policies by ZIP code. Because this data is simpler than reasons-related data, the compliance costs for these reports will likely be lower than the costs previously described.

In addition, the designated statistical agents will charge submission fees for the additional data reports required under the proposed revisions to the Commercial Plan. Insurers that choose to report data through an outside vendor or managing general agent would incur additional fees charged by those entities.

As noted in the description of experience report updates, proposed revisions to the current FR and FRO sections of the Commercial Plan add new codes for unmanned aerial systems and add a new field for larger deductibles. These changes will allow insurers to report more accurate information on deductible amounts and to reflect types of scheduled personal property that are more common currently than during previous updates to the Commercial Plan. As a result, the new codes will enable insurers to better comply with their duty under Insurance Code §38.205 to report premium and loss cost data and will also enable TDI to access more accurate and reliable data.

Although insurers are likely to incur costs in adding the new codes and new field to their data reporting systems, the costs are not expected to be significant because insurers are already required to report premium and loss data to TDI. TDI estimates that adding the new codes to insurers' data reporting systems may require the services of computer and information system managers, database architects, database administrators, computer systems analysts, and computer programmers. While it is not feasible to determine the actual amount of time it would take

these professionals to complete their respective tasks, TDI estimates that it could take each profession type 10 - 15 hours.

The remaining experience report updates to the Commercial Plan are not expected to increase costs to regulated entities because the proposed requirements reflect current reporting practices, remove obsolete requirements, or correct errors. For example, the proposed new codes for additional policy forms used in the market in the farm and ranch and farm and ranchowners sections are not expected to increase the cost of compliance because the new codes are already being used in statistical data reporting by insurers.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed amendments will not have an adverse impact on rural communities because the rule will apply only to insurers. As a result, and in accordance with Government Code §2006.002(c), it is not necessary for TDI to address rural communities in its regulatory flexibility analysis. However, the proposal may have an adverse economic effect on small or micro businesses. The cost analysis in this proposal's Public Benefit and Cost Note section also applies to these small or micro businesses. TDI estimates that the proposed amendments may affect approximately 75 - 100 small or micro businesses.

This proposal's primary objectives are to implement HB 2067 and to gather essential data to assess consumers' access to the insurance market. TDI considered the following alternatives to lessen any adverse effect on small or micro businesses while accomplishing the proposal's objectives:

(1) not proposing the amendments and instead collecting the needed data through ongoing data calls;

(2) providing additional time for small or micro businesses to comply; and

(3) exempting small or micro businesses from the proposed requirements that could create an adverse effect.

Not proposing the amendments. Not proposing the amendments would result in TDI relying on data calls to collect the data required under HB 2067. TDI would have to issue data calls for the information at least once every quarter, for the foreseeable future, and insurers would have to respond to each and every data call as they are issued. There would be no streamlined process for collecting this important data for any insurer, regardless of size. This would mean no cost-savings would result over time due to increased efficiency, and no statistical plan to ensure consistent data collection that would allow an examination of experience comparisons over time. For these reasons, TDI rejected this option.

Providing additional time for small or micro businesses to comply. TDI determined that extending the compliance deadline for small or micro businesses was not supported by statute. HB 2067 takes effect on January 1, 2026, and requires reporting "at least once a quarter." Providing additional time for some businesses and not others would create an unlevel playing field and provide inequitable protections for consumers depending on whether they purchase or apply for a policy offered by a small or micro business. For these reasons, TDI rejected this option.

Exempting small or micro businesses from the proposed requirements that could create an adverse effect. TDI declined to exempt small or micro businesses from the sections as proposed because these businesses are required to comply with HB 2067 and the rules implementing that bill. In addition, if small or micro businesses were exempt from the new reporting requirements under the Commercial Plan, they would be required to collect and report the data under HB 2067 via another method, such as responding to monthly or quarterly data calls. These alternative methods would likely be less efficient and more prone to errors. Further, collection of the new data will provide TDI with a holistic view of market activity and allow it to address issues affecting consumer access to insurance products. An exemption would prevent TDI from identifying issues impacting small or micro businesses in particular. For these reasons, TDI rejected this option.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does impose a possible cost on regulated persons. However, no additional rule amendments are required under Government Code §2001.0045 because the proposed amendments are necessary to implement legislation and to protect the health, safety, and welfare of Texas residents. The proposed rule implements Insurance Code §551.006, as added by HB 2067, and §38.202.

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 create a new regulation;

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

- will increase the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

Although the proposed rule will not affect fees paid to TDI, TDI's designated statistical agents may require additional or increased fees for insurers' submission of the new data. In addition, the proposed amendments to the Commercial Plan will expand requirements for certain direct commercial and miscellaneous personal lines of insurance.

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 22, 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. 2865. This proposal may be part of a rule hearing docket that will begin at 10:00 a.m., central time, on June 15, 2026. TDI will hold the public hearing both remotely and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.029. Visit www.tdi.texas.gov/alert/event/index.html for more information on the proposed rule, hearing, and comment submission.

STATUTORY AUTHORITY. TDI proposes amendments to §5.9501 under Insurance Code §§38.001(b), 38.202, 38.204(a), 38.205 - 38.207, 551.006, 551.112, and 36.001.

Insurance Code §38.001(b) authorizes TDI to address a reasonable inquiry to any insurance company or other holder of an authorization relating to the business condition or any matter connected with the person's transactions that TDI considers necessary for the public good or for the proper discharge of TDI's duties.

Insurance Code §38.202 allows the commissioner to, for a line or subline of insurance, designate or contract with a qualified organization to serve as the statistical agent for the commissioner to gather data relevant for regulatory purposes.

Insurance Code §38.204(a) provides that a designated statistical agent must collect data from reporting insurers under a statistical plan adopted by the commissioner.

Insurance Code §38.205 provides that insurers must provide all premium and loss cost data to the commissioner or designated statistical agent as the commissioner or agent requires.

Insurance Code §38.206 authorizes the statistical agent to collect from reporting insurers any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from that reporting insurer.

Insurance Code §38.207 authorizes the commissioner to adopt rules necessary to accomplish the purposes of Insurance Code Chapter 38, Subchapter E.

Insurance Code §551.006 authorizes the commissioner to prescribe the form and manner of an insurer's written report summarizing the insurer's reasons for declination, cancellation, or nonrenewal provided to applicants or policyholders as required by Insurance Code Chapter 551.

Insurance Code §551.112 authorizes the commissioner to adopt rules relating to the cancellation and nonrenewal of insurance policies.

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 5.9501 implements Insurance Code Chapter 38, Subchapters A and E, and Chapter 551, Subchapters A - C.

§5.9501. Texas Commercial Lines Statistical Plan.

(a) Purpose and Applicability.

(1) The purpose of this section is to establish requirements for the reporting of [~~premium and loss~~] data by certain direct commercial and miscellaneous personal lines insurers under Insurance Code Chapter 38, Subchapter E, concerning Statistical Data Collection; Insurance Code §38.001, concerning Inquiries; and Insurance Code §551.006, concerning Report Required.

[~~(2) Under Insurance Code §38.202, the commissioner has designated a statistical agent for commercial lines of insurance.~~]

(2) [~~(3)~~] Insurers [~~As provided by Insurance Code §38.205, all insurers~~] writing direct commercial and miscellaneous personal lines business in Texas must [~~are required to~~] provide the required reports described in the *Texas Commercial Lines Statistical Plan* adopted by reference in subsection (b) of this section [~~a report of their premium and loss cost experience~~] to the commissioner or the statistical agent designated under Insurance Code §38.202, concerning Statistical Agent.

(3) The reports [~~report~~] must comply with the reporting requirements and instructions specified in the *Texas Commercial Lines Statistical Plan* [~~Texas Commercial Lines Statistical Plan~~] adopted by reference in subsection (b) of this section.

(4) This section applies to all reports required to be filed with the department under this section for reporting periods beginning on or after October 1, 2026 [~~July 1, 2017~~].

(b) Adoption by Reference. The commissioner adopts by reference the *Texas Commercial Lines Statistical Plan* [~~Texas Commercial Lines Statistical Plan~~], effective October 1, 2026 [~~July 1, 2017~~]. This document is published [~~by the department and is available~~] on the department's website at www.tdi.texas.gov.

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 May 6, 2026.

TRD-202601927
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 676-6555

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TITLE 31. NATURAL RESOURCES AND CONSERVATION

PART 1. GENERAL LAND OFFICE

CHAPTER 15. COASTAL AREA PLANNING

SUBCHAPTER A. MANAGEMENT OF THE BEACH/DUNE SYSTEM

31 TAC §15.36

The General Land Office (GLO) proposes amendments to 31 Texas Administrative Code (TAC) §15.36, relating to Certification Status of the City of Galveston Dune Protection and Beach Access Plan (Plan). The City of Galveston (City) proposes to amend its Plan to increase the size of the Restricted Use Area at Access Point 1(C) by 1,050 linear feet, remove vehicles from a portion of the beach at Access Point 13 since off-beach improvements have been completed, and update the Beach Access Map for Access Point 22.

The GLO proposes to add new subsection 15.36(f) to certify the amendments to the Plan as consistent with state law. Copies of the City's proposed Plan can be obtained by contacting the GLO or the City of Galveston.

BACKGROUND OF THE PROPOSED AMENDMENTS

Pursuant to the Open Beaches Act, Texas Natural Resources Code (TNRC) Chapter 61; the Dune Protection Act, TNRC Chapter 63and 31 Texas Administrative Code (TAC) §§15.3, 15.7, and 15.17, a local government with jurisdiction over Gulf coast beaches must submit any proposed amendments to its Plan to the GLO for certification. If appropriate, the GLO will certify the Plan as consistent with state law by amendment of a rule, as authorized in TNRC §§ 61.011(d)(5), 61.015(b), and 63.121. The certification by rule reflects the state's certification of the Plan; however, the text of the Plan is not adopted by the GLO, as provided in 31 TAC §15.3(o)(4).

On November 13, 2025, the Galveston City Council passed Ordinance No. 25-061, which expanded the Restricted Use Area at Access Point 1(C) from 2,640 to 3,690 linear feet and reduced the on-beach parking at Access Point 13 from 350 feet to 100 feet since prior improvements to the off-beach parking area and pedestrian pathway to the beach have been completed.

The City is a coastal community in Galveston County, located on Galveston Island and bordering West Bay, Galveston Bay, and the Gulf of Mexico. The City's Dune Protection and Beach Access Plan was first adopted on August 12, 1993, and most recently amended and certified by the GLO as consistent with state law effective November 7, 2024.

ANALYSIS OF PLAN AMENDMENTS

The City proposes to increase the size of the Restricted Use Area (RUA) at Access Point (AP) 1(C) by 1,050 linear feet. The existing RUA is a 2,640-foot-long stretch of beach adjacent to the east end of Stewart Beach that is open to vehicles for persons with disabilities, people who are fishing, or people who are launching non-motorized personal watercraft. The RUA is also accessible to pedestrians from an adjacent off-beach parking area. The City proposes to increase the size of the RUA to 3,690 linear feet. The proposed expansion of the RUA will preserve and enhance the public's use of and access to the beach as required in 31 TAC §15.7(h) since select vehicular access to the beach will be increased and pedestrian beach access from the existing off-beach parking area will be maintained. Any future actions to remove vehicles from this area must comply with requirements for pedestrian beaches in 31 TAC §15.7(h).

The City proposes to reduce the on-beach parking at AP 13 from 350 feet to 100 feet and to remove the language in the Plan that on-beach parking will be provided while substantial physical improvements to the off-beach parking lot and pedestrian pathway occur. The on-beach parking at this access point was provided as an interim measure as part of the City's Compliance Plan to address beach access and parking compliance issues. AP 13 previously did not have the off-beach parking or the pedestrian pathway to the beach required by the City's existing Plan. The City has completed improvements to the off-beach parking lot and pedestrian pathway to the beach, making the on-beach parking area no longer necessary as an interim compliance measure. Instead of removing the entirety of the 350-foot on-beach parking area, the City proposes to leave 100 feet of on-beach parking at this access point.

The City proposes to amend the Beach Access Map for AP 22 to change the location of the off-beach public parking spaces. The total number of parking spaces remains the same.

FISCAL AND EMPLOYMENT IMPACTS

Angela Sunley, Deputy Director for the GLO's Coastal Resources Division, has determined that for each year of the first five years the amended rule as proposed is in effect, there will be minimal, if any, fiscal implications to the state government or local economy as a result of enforcing or administering the amended rules. Ms. Sunley has determined that the proposed amendments will not affect the costs of compliance for businesses or individuals. The proposed rulemaking will have no adverse effects on local employment, and no impact statement is required pursuant to Texas Government Code § 2001.022.

PUBLIC BENEFIT

Ms. Sunley has determined that the public will benefit from the proposed Plan amendments because they provide equal or better public access to and use of the beach. The amendments increase public beach access by expanding vehicular access for restricted uses and maintaining a vehicular beach area in an area where off-beach parking has been provided.

ENVIRONMENTAL REGULATORY ANALYSIS

The GLO has evaluated the proposed rulemaking action in light of the regulatory analysis requirements of Texas Government Code § 2001.0225 and determined that the action is not subject to § 2001.0225 because it does not meet the definition of a "major environmental rule" as defined in the statute. "Major environmental rule" means a rule, the specific intent of which is to protect the environment or reduce risks to human health from environmental exposure and that may adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. The proposed amendments are not anticipated to adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. The amendments are proposed under TNRC § 61.011, 61.015(b), 61.022 (b) & (c), 63.091, and 63.121, which provide the GLO with the authority to adopt rules governing the preservation and enhancement of the public's right to use and access public beaches and to certify local government beach access and use plans as consistent with state law. The proposed amendments do not exceed federal or state requirements.

TAKINGS IMPACT ASSESSMENT

The GLO has evaluated the proposed rulemaking in accordance with Texas Government Code § 2007.043(b) and the Attorney General's Private Real Property Rights Preservation Act Guidelines to determine whether a detailed takings impact assessment is required. The GLO has determined that the proposed amendments do not affect private real property in a manner that requires real property owners to be compensated as provided by the Fifth and Fourteenth Amendments to the United States Constitution or Article I, §§ 17 and 19 of the Texas Constitution. The GLO has also determined that the proposed rulemaking would not affect any private real property in a manner that restricts or limits the owner's right to property or use of that property. GLO has therefore determined that the proposed rulemaking will not result in a taking of private property and that there are no adverse impacts on private real property interests.

GOVERNMENT GROWTH IMPACT STATEMENT

The GLO prepared a Government Growth Impact Statement for this proposed rulemaking. Since the proposed rules simply certify the amendments to City of Galveston's Dune Protection and Beach Access Plan, they will not affect the operations of the

GLO. The proposed rulemaking does not create or eliminate a government program, will not require an increase or decrease in future legislative appropriations to the agency, will not require the creation of new employee positions nor eliminate current employee positions at the agency, nor will it require an increase or decrease in fees paid to the GLO. The proposed rule amendments do not create, limit, or repeal existing agency regulations, but rather certify the amendments to the Plan as consistent with state law. The proposed rules do not increase or decrease the number of individuals subject to the rule's applicability.

During the first five years that the proposed rules would be in effect, it is not anticipated that there will be an adverse impact on the state's economy. The proposed amendments are expected to enhance or preserve beach access.

CONSISTENCY WITH COASTAL MANAGEMENT PROGRAM

The proposed rulemaking is subject to the Coastal Management Program (CMP) as provided for in TNRC § 33.2053 and 31 TAC §29.11(a)(1)(J) and §29.11(c) (relating to Actions and Rules Subject to the CMP). GLO has reviewed this proposed action for consistency with CMP goals and policies in accordance with the regulations and has determined that the proposed action is consistent with the applicable CMP goals and policies. The applicable goals and policies are found at 31 TAC §26.12 (relating to Goals) and §26.26 (relating to Policies for Construction in the Beach/Dune System). The proposed rules are consistent with CMP policies in 31 TAC §26.26(a)(4) because they enhance and preserve the ability of the public, individually and collectively, to exercise rights of use and access to and from public beaches.

PUBLIC COMMENT REQUEST

To comment on the proposed rulemaking or its consistency with the CMP goals and policies, please send a written comment to Mr. Walter Talley, Texas Register Liaison, Texas General Land Office, P.O. Box 12873, Austin, Texas 78711, facsimile (512) 463-6311, or email to walter.talley@glo.texas.gov. Written comments must be received no later than 5:00 p.m., thirty (30) days from the date of publication of this proposal.

STATUTORY AUTHORITY

The amendments are proposed under Texas Natural Resources Code §§ 61.011, 61.015(b), 61.022 (b) & (c), 63.091, and 63.121, which provide the GLO with the authority to adopt rules governing the preservation and enhancement of the public's right to access and use public beaches and certification of local government beach access and dune protection plans as consistent with state law.

Texas Natural Resources Code §§ 61.011, 61.015(b), 61.022 (b) & (c), 63.091, and 63.121 are affected by the proposed amendments.

§15.36. Certification Status of City of Galveston Dune Protection and Beach Access Plan.

(a) The City of Galveston (City) has submitted to the General Land Office a dune protection and beach access plan which was adopted on August 12, 1993 and amended on February 9, 1995, June 19, 1997, February 14, 2002, March 13, 2003, January 29, 2004, February 26, 2004, and April 12, 2012. The City's plan is fully certified as consistent with state law.

(b) The General Land Office certifies as consistent with state law the City's Erosion Response Plan as an amendment to the Dune Protection and Beach Access Plan.

(c) The General Land Office certifies as consistent with state law the City's Beach and Dune Plan as amended on January 15, 2016 by Ordinance 16-003 to increase the daily beach user fee to a maximum of $15.00 and season passes to a maximum of $50 at Stewart Beach, R.A. Apffel Park, Dellanera Park, and Pocket Parks Nos. 1-3.

(d) The General Land Office certifies as consistent with state law amendments to the City of Galveston's Dune Protection and Beach Access Plan as amended on January 24, 2019 by Ordinance No. 19-012. The amendments include an increase in the Beach User Fee on the Seawall, the adoption of updated maps in Exhibit B, and a variance for certain in-ground pools. The amendments were adopted by City Council in Ordinance No. 19-012 on January 24, 2019, which incorporated previously adopted Ordinance No. 18-005.

(e) The General Land Office certifies as consistent with state law amendments to the City of Galveston's Dune Protection and Beach Access Plan in accordance with City Ordinance No. 24-059 dated October 2, 2024. The amendments include a variance for the use of reinforced concrete, prohibit vehicular access at Access Point 7, add additional vehicular beach access areas [~~area~~] at Access Point 13, and update the Beach Access and Parking Plan in Appendix A and Beach Access Maps in Exhibit C.

(f) The General Land Office certifies as consistent with state law the City of Galveston's Dune Protection and Beach Access Plan as amended on November 14, 2025 by Ordinance No. 25-061 to expand the Restricted Use Area at Access Point 1(C) to 3,960 linear feet, reduce the vehicular beach access area at Access Point 13 to 100 linear feet, and update the Beach Access Maps in Exhibit C.

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 May 8, 2026.

TRD-202601974
Jennifer Jones
Chief Clerk & Deputy Land Commissioner
General Land Office
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 475-1859

TITLE 37. PUBLIC SAFETY AND CORRECTIONS

PART 7. TEXAS COMMISSION ON LAW ENFORCEMENT

CHAPTER 211. ADMINISTRATION

37 TAC §211.16

The Texas Commission on Law Enforcement (Commission) proposes amended 37 Texas Administrative Code §211.16, Establishment or Continued Operation of an Appointing Entity. The proposed amended rule conforms with the amendments made by House Bill 33 (89R). It would require every agency to have access to a breaching tool and ballistic shield, clarify requirements of an agency's active shooter policy, and require certain agencies to have a Public Information Officer. The Public Information Officer would have one year from assignment to obtain

the certificate. It would also clarify the communications equipment requirement that if certain officers have a radio, they do not also need a cell phone.

Finally, the proposed amended rule conforms with the amendment to Texas Occupations Code §1701.163 made by Senate Bill 1445 (88R). It would provide guidance to determine whether a prospective agency or existing agency provides public benefit to the community and would describe the process for applying to create a new agency or deactivating an existing agency. The goal is to provide objective measures and consistent processes when evaluating applications for new agencies and issues involving existing agencies. Non-exclusive lists of factors to determine whether an agency provides public benefit to the community are included in the proposed amended rule for both prospective and existing agencies.

Mr. John P. Beauchamp, General Counsel, has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no foreseeable fiscal implications to state or local governments as a result of enforcing or administering the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be a positive benefit to the public by conforming with House Bill 33 (89R) and Senate Bill 1445 (88R). There will be no anticipated economic costs to persons required to comply with the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no adverse economic effects to small businesses, microbusinesses, or rural communities as a result of implementing the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no effects to a local economy as a result of implementing the proposal.

Mr. Beauchamp has determined the following:

(1) the proposed rule does not create or eliminate a government program;

(2) implementation of the proposed rule does not require the creation of new employee positions or the elimination of existing employee positions;

(3) implementation of the proposed rule does not require an increase or decrease in future legislative appropriations to the agency;

(4) the proposed rule does not require an increase or decrease in fees paid to the agency;

(5) the proposed rule does not create a new regulation;

(6) the proposed rule does not expand, limit, or repeal an existing regulation;

(7) the proposed rule does not increase or decrease the number of individuals subject to the rule's applicability; and

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

The Commission is requesting comments regarding the proposed amended rule and information related to the cost, benefit, or effect of the proposed amended rule, including any applicable data, research, or analysis, from any person required to comply with the proposed amended rule or any other interested person. The comment period will last 30 days following the publication of this proposal in the *Texas Register*. Comments and information may be submitted electronically to public.comment@tcole.texas.gov or in writing to Mr. John P. Beauchamp, General Counsel, Texas Commission on Law Enforcement, 6330 E. Highway 290, Suite 200, Austin, Texas 78723-1035.

The amended rule is proposed pursuant to Texas Government Code §411.3735, Certification and Continuing Education Required for Certain Public Information Officers, Texas Government Code §418.333, Certification and Continuing Education, Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, and Texas Occupations Code §1701.163, Minimum Standards for Law Enforcement Agencies. Texas Government Code §411.3735 requires certain agencies to have a public information officer who has or obtains the public information officer certificate. Texas Government Code §418.333 requires an applicant for a public information officer certification to complete minimum education and training requirements for initial certification and to complete continuing education to maintain the certificate. Texas Occupations Code §1701.151 authorizes the Commission to adopt rules for the administration of Occupations Code Chapter 1701. Texas Occupations Code §1701.163 requires the Commission to adopt rules to establish minimum standards with respect to the creation or continued operation of a law enforcement agency.

The amended rule as proposed affects or implements Texas Government Code §411.3735, Certification and Continuing Education Required for Certain Public Information Officers, Texas Government Code §418.333, Certification and Continuing Education, Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, and Texas Occupations Code §1701.163, Minimum Standards for Law Enforcement Agencies. No other code, article, or statute is affected by this proposal.

§211.16. Establishment or Continued Operation of an Appointing Entity.

(a) To establish that an agency or a prospective agency meets the minimum standards for the creation or continued operation of a law enforcement agency, the agency must provide evidence that the agency:

(1) provides public benefit to the community;

(2) has sustainable funding sources that meet or exceed the continued operating expenses outlined in a line-item budget for the agency;

(3) has physical resources available to officers, including:

(A) at least one firearm per officer on duty;

(B) at least one less lethal force weapon per officer on duty;

(C) effective communications equipment, specifically:

(i) at least one radio communication device per officer on duty performing patrol, courtroom security, traffic enforcement, responding to calls for service, assigned to a controlled access point, acting as a visual deterrent to crime, surveillance, warrant execution, and service of civil process; and

(ii) at least one radio communication device or cell phone device for any other [~~per~~] officer on duty who may have contact with the general public [~~and is not performing any of the duties described in (i)~~];

(D) at least one bullet-resistant vest per officer on duty with vest panels that:

(i) have been certified as compliant by the National Institute of Justice (NIJ);

(ii) are within the ballistic performance warranty period listed by the manufacturer on the affixed tags; and

(iii) have never been shot or otherwise compromised;

(E) access to at least one breaching tool and one ballistic shield;

(F) for agencies with primary jurisdiction over a school district or open-enrollment charter school, one breaching tool and one ballistic shield available at each campus;

(G) [~~(E)~~] at least one uniform per officer whose duties include any of the following:

(i) performing patrol;

(ii) courtroom security;

(iii) traffic enforcement;

(iv) responding to calls for service;

(v) assigned to a controlled access point;

(vi) acting as a visual deterrent to crime;

(vii) warrant execution; or

(viii) service of civil process;

(H) [~~(F)~~] at least one motor vehicle owned and insured by an agency created on or after June 1, 2024; and

(I) [~~(G)~~] patrol vehicles provided to officers whose duties include either performing patrol, traffic enforcement, or responding to calls for service that:

(i) are owned, insured, and equipped by the agency; or

(ii) may be personally owned for agencies in existence before June 1, 2024, that have not provided agency-owned patrol vehicles from June 1, 2024, to the present;

(4) has physical facilities, including:

(A) an evidence room or other acceptable secure evidence storage for officers whose duties include any of the following:

(i) performing patrol;

(ii) traffic enforcement;

(iii) criminal investigations;

(iv) responding to calls for service; or

(v) executing search or arrest warrants;

(B) a dispatch area for any agency appointing and employing telecommunicators; and

(C) a public area including written notices posted and visible 24 hours a day explaining:

(i) how to receive the most immediate assistance in an emergency;

(ii) how to make a nonemergency report of a crime; and

(iii) how to make a compliment or complaint on a member of the agency by mail, online, or by phone;

(5) has policies, including policies on:

(A) use of force;

(B) vehicle pursuit;

(C) professional conduct of officers;

(D) domestic abuse protocols;

(E) response to missing persons;

(F) supervision of part-time officers;

(G) impartial policing;

(H) medical and psychological examination of licensees;

(I) active shooters, including a detailed written policy based on current best practices for responding to an active shooter incident at a primary or secondary school facility and a recommendation for the frequency at which simulated emergency drills should be conducted;

(J) barricaded subjects;

(K) evidence collection and handling;

(L) eyewitness identification;

(M) misconduct investigations;

(N) hiring a license holder;

(O) personnel files;

(P) uniform and dress code;

(Q) training required to maintain licensure; and

(R) outside and off-duty employment;

(6) has an assigned public information officer who must hold a valid public information officer certificate or must obtain the certificate within the first year of assignment, if the agency is:

(A) a municipal police department;

(B) a sheriff's office;

(C) a county constable's office;

(D) a school district police department; or

(E) the Texas Department of Public Safety;

(7) [~~(6)~~] has an established administrative structure, including:

(A) an organizational chart for the agency that illustrates the division and assignment of licensed and unlicensed personnel;

(B) a projection for the number of full-time peace officers, part-time peace officers, and unpaid peace officers that the agency would employ during the year if at full staffing; and

(C) the number of School Resource Officer (SRO) positions employed by the agency and working in schools if the agency is not an independent school district (ISD) police department;

(8) [~~(7)~~] has liability insurance for the agency and any vehicles used for agency purposes;

(9) [~~(8)~~] has a defined process by which the agency will receive by mail, online, and by phone and document compliments and complaints on its employees; and

(10) [~~(9)~~] any other information the commission requires.

(b) An entity applying to create a law enforcement agency is presumed to provide public benefit to the community if any of the following conditions are satisfied:

(1) the agency's chief administrator is an officer elected under the Texas Constitution;

(2) the agency is required by statute;

(3) the agency serves a municipality that contains a population of at least 10,000 people and the municipality is without an agency;

(4) the agency consists of investigators for a county or district attorney's office; or

(5) the agency serves a school district, open-enrollment charter school, private school, state institution of higher education, public technical institute, or private institution of higher education with an enrollment of at least 2,500 students.

[~~(b) An entity authorized by law to establish a law enforcement agency and appoint licensees must first complete training offered and required by the commission on the establishment and continued operation of a new agency. The entity may then make application for an agency number by submitting the current agency number application form, any associated application fee, and evidence that they meet the requirements of this rule.~~]

(c) An entity applying to create a law enforcement agency may be found to provide public benefit to the community based upon a balance of the following factors:

(1) the unmet law enforcement needs of the subject community;

(2) a consideration of the presence of other agencies within the subject community, including but not limited to:

(A) the number and types of agencies that serve the community;

(B) the consistency of jurisdictional coverage to be provided;

(C) the unique law enforcement needs to be provided that are not already provided by another agency; and

(D) the ability of other agencies to provide the desired law enforcement services to the community through agreements or contracts;

(3) the desired law enforcement functions, roles, and responsibilities of the prospective agency within the subject community;

(4) a comparison of establishing an agency versus other options to address the desired law enforcement needs;

(5) the ability to provide continuity of law enforcement services;

(6) the provision of full-time versus part-time coverage;

(7) the staffing to be achieved by full-time, part-time, or reserve law enforcement officers;

(8) the ability to recruit and retain qualified licensees for appointment;

(9) the ability to recruit or retain a chief administrator;

(10) the ability to supervise, train, and develop licensees;

(11) the ability to fulfill administrative obligations required by law, including but not limited to:

(A) training compliance;

(B) maintaining required records in compliance with applicable laws;

(C) reporting compliance;

(D) appointment and separation processes;

(E) investigating and resolving allegations of misconduct; and

(F) policy development, implementation, and compliance;

(12) access to legal support and other supportive resources;

(13) oversight and support to be provided by the governing body;

(14) prior agency and governing body history with the commission; and

(15) any other factor the commission considers relevant.

(d) A law enforcement agency may be found to no longer provide public benefit to the community based upon a balance of the following factors:

(1) the relevant factors contained in subsection (c) of this section;

(2) the turnover rate of agency staff;

(3) the history and seriousness of the agency's audit and inspection deficiencies and violations;

(4) the history and seriousness of administrative and criminal misconduct of the agency's appointees;

(5) neglect of the agency's duties;

(6) lack of oversight or abuse by the agency's governing body;

(7) involvement in activities not related to the statutory purpose for the type of agency; and

(8) any other factor the commission considers relevant.

(e) An entity authorized by law to establish a law enforcement agency and appoint licensees must first complete training offered and required by the commission on the creation and continued operation of a new agency before applying to create a new law enforcement agency. This training consists of:

(1) an introduction to the new agency creation process that outlines the objectives, process, and timelines for creating a new agency;

(2) review and completion of the new agency workbook, including the gathering of required information and completion of required worksheets; and

(3) an in-person commission staff working group.

(f) After completing the required training, the entity may then submit the initial application for the creation of a new law enforcement agency by:

(1) submitting the current agency number application form;

(2) demonstrating that the prospective new agency would provide public benefit to the community and has sustainable funding sources; and

(3) outlining the prospective agency plan.

(g) If the executive director denies the initial application, the entity may appeal to the commissioners during a public meeting of the commission. If the commissioners approve the initial application, the entity may submit the final application demonstrating all requirements of subsection (a) of this section have been met.

(h) If the executive director approves the initial application, the entity may submit the final application demonstrating all requirements of subsection (a) of this section have been met.

(i) After submission of the final application, the commission will perform an inspection to confirm that the prospective agency meets the minimum standards for the creation of a law enforcement agency. If the minimum standards are met, a new law enforcement agency will be created.

(j) A denial of the initial or final application may include conditions which must be satisfied before an entity may reapply to create a new law enforcement agency.

(k) A law enforcement agency that no longer meets the minimum standards for the continued operation of an agency may be deactivated. Deactivation of an agency requires the separation of all licensees, including the chief administrator, and the revocation of the authority to appoint licensees.

(l) The governing body of an agency that has been deactivated must continue to maintain records required by the commission as prescribed by law and must report motor vehicle stop data for all years and partial years that elapsed prior to deactivation.

(m) [(c)] An entity authorized by Local Government Code, §361.022 to operate a correctional facility to house inmates, in this state, convicted of offenses committed against the laws of another state of the United States, and appoint jailers requiring licensure by the commission, may make application for an agency number by submitting the current agency number application form, any associated application fee, and a certified copy of the contract under which the facility will operate.

(n) [(d)] A political subdivision wanting to establish a consolidated emergency telecommunications center and appoint telecommunicators, as required by Texas Occupations Code, §1701.405, may make application for an agency number by submitting the current agency number application form, any associated application fee and a certified copy of the consolidation contract.

(o) [(e)] The Texas Department of Criminal Justice - Pardon and Parole Division, a community supervision and corrections department, or a juvenile probation department may make application for an agency number if seeking firearms training certificates for parole officers, community supervision and corrections officers, or juvenile probation officers by submitting the current agency number application form and any associated application fee.

(p) [(f)] All law enforcement agencies must complete and submit an annual report due between January 1st and March 1st of each year documenting their continued compliance with the requirements of this rule.

(q) [(g)] The effective date of this section is September 1, 2026 [for agencies not in existence before June 1, 2024, is June 1, 2024. The effective date of this section for agencies already in existence before June 1, 2024, is September 1, 2025].

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 May 11, 2026.

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Gregory Stevens
Executive Director
Texas Commission on Law Enforcement
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 936-7700

37 TAC §211.29

The Texas Commission on Law Enforcement (Commission) proposes amended 37 Texas Administrative Code §211.29, Responsibilities of Agency Chief Administrators. The proposed amended rule conforms with the amendments made by House Bill 33 (89R). It would require a chief administrator to submit a preliminary report within 45 days and then a final report within 90 days that evaluates the response by the law enforcement agency to an active shooter incident at a primary or secondary school.

Also, the proposed amendment would require a chief administrator to report to the Commission successful completion of personnel orientation and field training by a licensee. This will reduce delays for licensees in achieving basic proficiency certificates and will reduce administrative burdens for the Commission in issuing basic proficiency certificates. This will also allow the Commission to better track which law enforcement agencies are providing the required training to licensees.

Finally, the proposed amendment would require a chief administrator to report to the Commission that certain individuals do not meet the minimum standards for enrollment or initial licensure. This will help the Commission to sooner identify those who are potentially ineligible for a license.

Mr. John P. Beauchamp, General Counsel, has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no foreseeable fiscal implications to state or local governments as a result of enforcing or administering the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be a positive benefit to the public by conforming with House Bill 33 (89R), by ensuring that required training is completed and reported, and by identifying potentially ineligible individuals. There will be no anticipated economic costs to persons required to comply with the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no adverse economic effects to small businesses, microbusinesses, or rural communities as a result of implementing the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no effects to a local economy as a result of implementing the proposal.

Mr. Beauchamp has determined the following:

(1) the proposed rule does not create or eliminate a government program;

(2) implementation of the proposed rule does not require the creation of new employee positions or the elimination of existing employee positions;

(3) implementation of the proposed rule does not require an increase or decrease in future legislative appropriations to the agency;

(4) the proposed rule does not require an increase or decrease in fees paid to the agency;

(5) the proposed rule does not create a new regulation;

(6) the proposed rule expands an existing regulation relating to reporting requirements, but does not limit or repeal an existing regulation;

(7) the proposed rule does not increase or decrease the number of individuals subject to the rule's applicability; and

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

The Commission is requesting comments regarding the proposed amended rule and information related to the cost, benefit, or effect of the proposed amended rule, including any applicable data, research, or analysis, from any person required to comply with the proposed amended rule or any other interested person. The comment period will last 30 days following the publication of this proposal in the *Texas Register.* Comments and information may be submitted electronically to or in writing to Mr. John P. Beauchamp, General Counsel, Texas Commission on Law Enforcement, 6330 E. Highway 290, Suite 200, Austin, Texas 78723-1035.

The amended rule is proposed pursuant to Texas Government Code §418.1873, Evaluation and Report on Response to Active Shooter Incident at School Facility Required for Certain Entities, Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, and Texas Occupations Code §1701.402, Proficiency Certificates. Texas Government Code §418.1873 requires the Commission to adopt rules with respect to local law enforcement agencies for evaluating responses to active shooter incidents at primary or secondary schools. Texas Occupations Code §1701.151 authorizes the Commission to adopt rules for the administration of Occupations Code Chapter 1701 and to establish minimum standards relating to the competence and reliability, including the education, training, physical, and mental standards, for licensing as an officer, county jailer, or telecommunicator. Texas Occupations Code §1701.402 requires law enforcement agencies to provide training relating to employment issues that affect peace officer, telecommunicators, and county jailers and makes this training a requirement for a basic proficiency certificate.

The amended rule as proposed affects or implements Texas Government Code §418.1873, Evaluation and Report on Response to Active Shooter Incident at School Facility Required for Certain Entities, Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, and Texas Occupations Code §1701.402, Proficiency Certificates. No other code, article, or statute is affected by this proposal.

§211.29. Responsibilities of Agency Chief Administrators.

(a) An agency chief administrator is responsible for making any and all reports and submitting any and all documents required of that agency by the commission.

(b) An individual who is appointed or elected to the position of the chief administrator of a law enforcement agency shall notify the Commission of the date of appointment and title, through a form prescribed by the Commission within 30 days of such appointment.

(c) An agency chief administrator must comply with the appointment and retention requirements under Texas Occupations Code, Chapter 1701.

(d) An agency chief administrator must report to the commission within 30 days, any change in the agency's name, physical location, mailing address, electronic mail address, or telephone number.

(e) An agency chief administrator must report, in a standard format, incident-based data compiled in accordance with Texas Occupations Code §1701.164.

(f) Following a response to an active shooter incident at a primary or secondary school facility by any member of a law enforcement agency, the agency chief administrator must submit to the commission on a form prescribed by the commission:

(1) a preliminary report on an evaluation of the agency's response to the incident within 45 days of the incident, or as soon as practicable thereafter; and

(2) a final report on an evaluation of the agency's response to the incident within 90 days of the incident, or as soon as practicable thereafter.

(g) [~~(f)~~] Line of duty deaths shall be reported to the commission in current peace officers' memorial reporting formats.

(h) An agency chief administrator must report to the commission on a form prescribed by the commission within seven days of discovery by any member of the agency that one of the following does not currently meet or did not meet the minimum standards for enrollment or initial licensure at the time of application, enrollment, or appointment:

(1) a licensee applying for enrollment or appointment with the agency;

(2) a person enrolled in the agency's academy;

(3) a person enrolled in any academy and sponsored by the agency; or

(4) a licensee appointed with the agency.

(i) [~~(g)~~] An agency chief administrator has an obligation to determine that all appointees are able to safely and effectively perform the essential job functions. An agency chief administrator may require a fit for duty review upon identifying factors that indicate an appointee may no longer be able to perform job-related functions safely and effectively. These factors should be based on objective evidence and a reasonable basis that the cause may be attributable to a medical or psychological condition or impairment.

(j) [~~(h)~~] An agency chief administrator shall notify the commission of any failed medical (L-2) or psychological (L-3) examination within 30 days on a form prescribed by the commission. An agency chief administrator shall notify the commission upon a final determination of a failed fit-for-duty examination (FFDE) or drug screen within 30 days on a form prescribed by the commission.

(k) [~~(i)~~] An agency must provide training on employment issues identified in Texas Occupations Code §1701.402 and field training. If successfully completed, the agency must report these trainings to the commission within 30 days.

(l) [~~(j)~~] An agency must provide continuing education training required in Texas Occupations Code §1701.351 and §1701.352.

(m) [~~(k)~~] Before an agency appoints any licensee to a position requiring a commission license it shall complete the reporting requirements of Texas Occupations Code §1701.451.

(n) [~~(l)~~] An agency appointing a person who does not hold a commission license must file an application for the appropriate license with the commission.

(o) [~~(m)~~] An agency must notify the commission electronically following the requirements of Texas Occupations Code §1701.452, when a person under appointment with that agency resigns or is terminated.

(p) [~~(n)~~] An agency chief administrator must comply with orders from the commission regarding the correction of a report of resignation/termination or request a hearing from SOAH.

(q) [~~(o)~~] An agency chief administrator must:

(1) at the time the agency becomes aware of an allegation of misconduct, as defined in the model policy required by Texas Occupations Code § 1701.4522(a)(1), that may result in suspension, demotion, or termination, initiate an appropriate administrative or criminal investigation into alleged misconduct of a licensee who was appointed by the law enforcement agency at the time the alleged misconduct occurred;

(2) ensure completion of the investigation into alleged misconduct in a timely manner consistent with the law enforcement agency's policies even if the licensee has separated from the law enforcement agency;

(3) submit a report of a completed investigation into alleged criminal misconduct for which criminal charges are filed against a licensee to the commission within 30 days after the investigation is completed on a form prescribed by the commission;

(4) submit a report of a completed investigation into alleged administrative misconduct to the commission in a timely manner, but not later than 30 days after the licensee's separation from the law enforcement agency, on a form prescribed by the commission;

(5) if the investigative findings or disciplinary action taken are appealed, notify the commission that the matter is under appeal and notify the commission of the disposition of an appeal within 30 days after receipt of the decision; and

(6) include documentation of the completed investigation in the licensee's personnel or department file, as appropriate.

(r) [~~(p)~~] An agency chief administrator must:

(1) maintain a personnel file and department file for each licensee appointed with the law enforcement agency;

(2) submit to the commission a complete copy of the personnel file of a licensee within 30 days after separation of the licensee from the law enforcement agency in a manner prescribed by the commission; and

(3) submit to the commission a complete copy of the personnel file and department file of a licensee upon request as part of an ongoing investigation relating to the licensee.

(s) [~~(q)~~] Except in the case of a commission error, an agency that wishes to report a change to any information within commission files about a licensee shall do so in a request to the commission, containing:

(1) the licensees name, date of birth, last four digits of the social security number, or PID;

(2) the requested change; and

(3) the reason for the change.

(t) [~~(r)~~] An agency chief administrator may not appoint an applicant subject to pending administrative action based on:

(1) enrollment or licensure ineligibility; or

(2) statutory suspension or revocation.

(u) [~~(s)~~] The effective date of this section is September 1, 2026 [~~November 1, 2025~~].

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 May 11, 2026.

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Gregory Stevens
Executive Director
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For further information, please call: (512) 936-7700

CHAPTER 218. CONTINUING EDUCATION

37 TAC §218.3

The Texas Commission on Law Enforcement (Commission) proposes amended 37 Texas Administrative Code §218.3, Legislatively Required Continuing Education for Licensees. The proposed amendment conforms with the amendments to Texas Occupations Code §1701.253 and §1701.3525 made by Senate Bill 1852 (88R). It would require individuals licensed as a reserve law enforcement officer or as a public security officer to complete Advanced Law Enforcement Rapid Response Training (ALERRT) continuing education every four-year cycle and ALERRT Level 1 not later than August 31, 2029.

Also, the proposed amendment conforms with the addition of Texas Occupations Code §1701.3526 made by House Bill 33 (89R). It would require supervisors to complete an advanced incident response and command continuing education course each two-year training unit.

Mr. John P. Beauchamp, General Counsel, has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no foreseeable fiscal implications to state or local governments as a result of enforcing or administering the proposed amendment.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be a positive benefit to the public by conforming with Texas Occupations Code §1701.253, §1701.3525, and §1701.3526. There will be no anticipated economic costs to persons required to comply with the proposed amendment.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no adverse economic effects to small businesses, microbusinesses, or rural communities as a result of implementing the proposed amendment.

Mr. Beauchamp has determined that for each year of the first five years this proposed amended rule will be in effect, there will be no effects to a local economy as a result of implementing the proposed amendment.

Mr. Beauchamp has determined the following:

(1) the proposed rule does not create or eliminate a government program;

(2) implementation of the proposed rule does not require the creation of new employee positions or the elimination of existing employee positions;

(3) implementation of the proposed rule does not require an increase or decrease in future legislative appropriations to the agency;

(4) the proposed rule does not require an increase or decrease in fees paid to the agency;

(5) the proposed rule does not create a new regulation;

(6) the proposed rule does not expand, limit, or repeal an existing regulation;

(7) the proposed rule does not increase or decrease the number of individuals subject to the rule's applicability; and

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

The Commission is requesting comments regarding the proposed amendment and information related to the cost, benefit, or effect of the proposed amendment, including any applicable data, research, or analysis, from any person required to comply with the proposed amendment or any other interested person. The comment period will last 30 days following the publication of this proposal in the *Texas Register*. Comments and information may be submitted electronically to or in writing to Mr. John P. Beauchamp, General Counsel, Texas Commission on Law Enforcement, 6330 E. Highway 290, Suite 200, Austin, Texas 78723-1035.

The amended rule is proposed pursuant to Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, Texas Occupations Code §1701.253, School Curriculum, Texas Occupations Code §1701.3525, Active Shooter Response Training Required for Officers, and Texas Occupations Code §1701.3526, Continuing Education on Incident Response and Command. Texas Occupations Code §1701.151 authorizes the Commission to adopt rules for the administration of Occupations Code Chapter 1701 and to establish minimum standards relating to the competence and reliability, including the education, training, physical, and mental standards, for licensing as an officer, county jailer, or telecommunicator. Texas Occupations Code §1701.253 requires officers to complete ALERRT Level 1 not later than the end of the first full training period after licensure unless completed as part of a basic licensing course. Texas Occupations Code §1701.3525 requires officers to complete 16 hours of ALERRT continuing education each training period. Texas Occupations Code §1701.3526 requires peace officers whose duties involve the supervision of officers in an incident response to complete an advanced incident response and command continuing education course.

The amended rule as proposed affects or implements Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, Texas Occupations Code §1701.253, School Curriculum, Texas Occupations Code §1701.3525, Active Shooter Response Training Required for Officers, and Texas Occupations Code §1701.3526, Continuing Education on Incident Response and Command. No other code, article, or statute is affected by this proposal.

§218.3. Legislatively Required Continuing Education for Licensees.

(a) Each licensee shall complete the legislatively mandated continuing education in this chapter. Each appointing agency shall allow the licensee the opportunity to complete the legislatively mandated continuing education in this chapter. This section does not limit the number or hours of continuing education an agency may provide.

(b) Each training unit (2 years).

(1) Peace officers shall complete at least 40 hours of continuing education, to include the corresponding legislative update for that unit. Peace officers shall complete not less than 16 hours of training on responding to an active shooter as developed by the Advanced Law Enforcement Rapid Response Training Center at Texas State University-San Marcos. All peace officers shall complete ALERRT Level 1 training not later than August 31, 2027. Training for all chief administrators, who are licensed as peace officers, shall include ALERRT command and leadership training each training unit.

(2) Telecommunicators shall complete at least 20 hours of continuing education to include cardiopulmonary resuscitation training.

(c) Each training cycle (4 years).

(1) Peace officers who have not yet reached intermediate proficiency certification shall complete: Cultural Diversity (3939), Special Investigative Topics (3232), Crisis Intervention (3843) and De-escalation (1849).

(2) Individuals licensed as jailers shall complete Cultural Diversity (3939), unless the person has completed or is otherwise exempted from legislatively required training under another commission license or certificate.

(3) [~~(2)~~] Individuals licensed as reserve law enforcement officers[~~, jailers,~~] or public security officers shall complete:

(A) Cultural Diversity (3939), unless the person has completed or is otherwise exempted from legislatively required training under another commission license or certificate;[~~.~~]

(B) not less than 16 hours of training on responding to an active shooter as developed by the Advanced Law Enforcement Rapid Response Training Center at Texas State University-San Marcos; and

(C) ALERRT Level 1 training not later than August 31, 2029.

(d) Assignment specific training.

(1) Police chiefs: individuals appointed as "chief" or "police chief" of a police department shall complete:

(A) For an individual appointed to that individual's first position as chief, the initial training program for new chiefs provided by the Bill Blackwood Law Enforcement Management Institute, not later than the second anniversary of that individual's appointment or election as chief; and

(B) At least 40 hours of continuing education for chiefs each 24-month unit, as provided by the Bill Blackwood Law Enforcement Management Institute.

(2) Constables: elected or appointed constables shall complete:

(A) For an individual appointed or elected to that individual's first position as constable, the initial training program for new constables provided by the Bill Blackwood Law Enforcement Management Institute, not later than the second anniversary of that individual's appointment or election as constable; and

(B) Each 48 month cycle, at least 40 hours of continuing education for constables, as provided by the Bill Blackwood Law Enforcement Management Institute and a 20 hour course of training in civil process to be provided by a public institution of higher education selected by the Commission.

(3) Deputy constables: each deputy constable shall complete a 20 hour course of training in civil process each training cycle. The commission may waive the requirement for this training if the constable, in the format required by TCOLE, requests exemption due to the deputy constable not engaging in civil process as part of their assigned duties.

(4) Supervisors: each peace officer assigned to a supervisor position shall complete: [New supervisors: each peace officer assigned to their first position as a supervisor must complete new supervisor training within one year prior to or one year after appointment as a supervisor.]

(A) For a peace officer assigned to their first position as a supervisor, new supervisor training within one year prior to or one year after assignment as a supervisor; and

(B) an advanced incident response and command continuing education course each two-year training unit.

(5) School-based Law Enforcement Officers: School district peace officers and school resource officers providing law enforcement services at a school district must obtain a school-based law enforcement proficiency certificate within 180 days of the officer's commission or placement in the district or campus of the district.

(6) Eyewitness Identification Officers: peace officers performing the function of eyewitness identification must first complete the Eyewitness Identification training (3286).

(7) Courtroom Security Officers/Persons: any person appointed to perform courtroom security functions at any level shall complete the Courtroom Security course (10999) within 1 year of appointment.

(8) Body-Worn Cameras: peace officers and other persons meeting the requirements of Texas Code of Criminal Procedure Article 2B.0107 [Occupations Code 1701.656] must first complete Body-Worn Camera training (8158).

(9) Officers Carrying Epinephrine Delivery Systems [Auto-injectors]: peace officers meeting the requirements of Texas Occupations Code §1701.702 [1701.702] must first complete epinephrine delivery system [auto-injector] training.

(10) Jailer Firearm Certification: jailers carrying a firearm as part of their assigned duties must first obtain the Jailer Firearms certificate before carrying a firearm.

(11) University Peace Officers, Trauma-Informed Investigation Training: each university or college peace officer shall complete an approved course on trauma-informed investigation into allegations of sexual harassment, sexual assault, dating violence, and stalking.

(e) Miscellaneous training.

(1) Human Trafficking: every peace officer first licensed on or after January 1, 2011, must complete Human Trafficking (3270) within 2 years of being licensed.

(2) Canine Encounters: every peace officer first licensed on or after January 1, 2016, must take Canine Encounters (4065) within 2 years of being licensed.

(3) Deaf and Hard of Hearing Drivers: every peace officer licensed on or after March 1, 2016, must complete Deaf and Hard of Hearing Drivers (7887) within 2 years of being licensed.

(4) Civilian Interaction Training: every peace officer licensed before January 1, 2018, must complete Civilian Interaction Training Program (CITP) within 2 years. All other peace officers must complete the course within 2 years of being licensed.

(5) Crisis Intervention Training: every peace officer licensed on or after April 1, 2018, must complete the 40 hour Crisis Intervention Training within 2 years of being licensed.

(6) Mental Health for Jailers: all county jailers must complete Mental Health for Jailers not later than August 31, 2021.

(f) The Commission may choose to accept an equivalent course for any of the courses listed in this chapter, provided the equivalent course is evaluated by commission staff and found to meet or exceed the minimum curriculum requirements of the legislatively mandated course.

(g) The commission shall provide adequate notice to agencies and licensees of impending non-compliance with the legislatively required continuing education.

(h) The chief administrator of an agency that has licensees who are in non-compliance shall, within 30 days of receipt of notice of non-compliance, submit a report to the commission explaining the reasons for such non-compliance.

(i) Licensees shall complete the legislatively mandated continuing education in the first complete training unit, as required, or first complete training cycle, as required, after being licensed.

(j) All peace officers must meet all continuing education requirements except where exempt by law.

(k) The effective date of this section is September 1, 2026 [September 1, 2024].

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 May 11, 2026.

TRD-202601988
Gregory Stevens
Executive Director
Texas Commission on Law Enforcement
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 936-7700

CHAPTER 223. ENFORCEMENT

37 TAC §223.20

The Texas Commission on Law Enforcement (Commission) proposes new 37 Texas Administrative Code §223.20, Emergency Suspension for Imminent Threat. The proposed new rule conforms with the addition of Texas Occupations Code §1701.5011 made by Senate Bill 1445 (88R). It would permit the Commission to suspend for not more than 90 days the license of a person that constitutes an imminent threat to the public health, safety,

or welfare. It would only apply if a chief administrator is the person that constitutes an imminent threat or if the chief administrator is unable to fulfill their obligation to make a fitness-for-duty determination under 37 Texas Administrative Code §211.29. A non-exclusive list of possible indications of imminent threat is included in the proposed new rule.

Mr. John P. Beauchamp, General Counsel, has determined that for each year of the first five years this proposed new rule will be in effect, there will be no foreseeable fiscal implications to state or local governments as a result of enforcing or administering the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed new rule will be in effect, there will be a positive benefit to the public by conforming with Texas Occupations Code §1701.5011. There will be no anticipated economic costs to persons required to comply with the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed new rule will be in effect, there will be no adverse economic effects to small businesses, microbusinesses, or rural communities as a result of implementing the proposal.

Mr. Beauchamp has determined that for each year of the first five years this proposed new rule will be in effect, there will be no effects to a local economy as a result of implementing the proposal.

Mr. Beauchamp has determined the following:

(1) the proposed rule does not create or eliminate a government program;

(2) implementation of the proposed rule does not require the creation of new employee positions or the elimination of existing employee positions;

(3) implementation of the proposed rule does not require an increase or decrease in future legislative appropriations to the agency;

(4) the proposed rule does not require an increase or decrease in fees paid to the agency;

(5) the proposed rule does not create a new regulation;

(6) the proposed rule does not expand, limit, or repeal an existing regulation;

(7) the proposed rule does not increase or decrease the number of individuals subject to the rule's applicability; and

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

The Commission is requesting comments regarding the proposed new rule and information related to the cost, benefit, or effect of the proposed new rule, including any applicable data, research, or analysis, from any person required to comply with the proposed new rule or any other interested person. The comment period will last 30 days following the publication of this proposal in the *Texas Register*. Comments and information may be submitted electronically to or in writing to Mr. John P. Beauchamp, General Counsel, Texas Commission on Law Enforcement, 6330 E. Highway 290, Suite 200, Austin, Texas 78723-1035.

The new rule is proposed pursuant to Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, and Texas Occupations Code §1701.5011, Emergency Suspension. Texas Occupations Code §1701.151 authorizes the Commission to adopt rules for the administration of Occupations Code Chapter 1701 and to establish minimum standards relating to the competence and reliability, including the education, training, physical, and mental standards, for licensing as an officer, county jailer, or telecommunicator. Texas Occupations Code §1701.5011 requires the Commission to adopt rules to suspend for not more than 90 days the license of a person that constitutes an imminent threat to the public health, safety, or welfare.

The new rule as proposed affects or implements Texas Occupations Code §1701.151, General Powers of Commission; Rulemaking Authority, and Texas Occupations Code §1701.5011, Emergency Suspension. No other code, article, or statute is affected by this proposal.

§223.20. Emergency Suspension for Imminent Threat.

(a) Only if a chief administrator is the person that constitutes an imminent threat, or is unable to fulfill their obligation to make a determination under §211.29(i) of this title (relating to Responsibilities of Agency Chief Administrators), then the commission shall determine whether an imminent threat exists.

(b) The commission, through the executive director, may suspend the license of a person that constitutes an imminent threat to the public health, safety, or welfare if the person were to remain licensed.

(c) Indications of imminent threat include evidence that they are currently a danger to themselves or others, such as:

(1) law enforcement intervention documenting an imminent threat;

(2) voluntary admission to an inpatient mental health facility related to homicidal or suicidal ideations;

(3) commitment under Texas Health and Safety Code Chapters 573 or 574; or

(4) adjudicated as a mental defective.

(d) If the commission determines that an imminent threat exists, the commission will issue an order suspending the person's license for no more than 90 days. Not later than the 10th day after the order is issued, the commission will request a hearing with the State Office of Administrative Hearings.

(e) The effective date of this section is September 1, 2026.

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 May 11, 2026.

TRD-202601983
Gregory Stevens
Executive Director
Texas Commission on Law Enforcement
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 936-7700

PART 13. TEXAS COMMISSION ON FIRE PROTECTION

CHAPTER 437. FEES

37 TAC §437.7

BACKGROUND AND PURPOSE

The Texas Commission on Fire Protection (Commission) proposes an amendment to 37 TAC Chapter 437, Fees, §437.7, concerning Standards Manual and Certification Curriculum Manual Fees. The proposed amendment updates the section to remove outdated language referencing Thomson West as a source for printed copies of the Commission's standards manuals and replaces it with language directing individuals to obtain official printed copies from authorized legal publishers or by downloading the publicly available digital versions from the Texas Secretary of State website.

FISCAL NOTE IMPACT ON STATE AND LOCAL GOVERNMENT

Mike Wisko, Agency Chief, has determined that for each year of the first five years the proposed amendment is in effect, there will be no fiscal impact to state or local governments as a result of enforcing or administering this rule.

PUBLIC BENEFIT AND COST NOTE

Mr. Wisko has also determined that for each year of the first five years the rule is in effect, the public benefit will be accurate, clear, and concise rule language that ensures regulated entities and individuals have current and accessible guidance on how to obtain the Commission's standards manuals. There is no anticipated economic cost to individuals required to comply with the proposed amendment.

LOCAL ECONOMY IMPACT STATEMENT

No adverse impact on local employment or the local economy is expected as a result of enforcing or administering this rule. Therefore, no local employment impact statement is required under Texas Government Code §2001.022 and §2001.024(a)(6).

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

The proposed rule has no impact on small businesses, micro-businesses, or rural communities. Accordingly, no regulatory flexibility analysis is required under Texas Government Code §2006.002.

GOVERNMENT GROWTH IMPACT STATEMENT

The agency has determined under Texas Government Code §2001.0221 that for each year of the first five years the proposed rule is in effect:

(1) the rule will not create or eliminate a government program;

(2) the rule will not require an increase or decrease in future legislative appropriations;

(3) the rule will not result in a change in the number of agency employee positions;

(4) the rule will not affect fees paid to the agency;

(5) the rule will not create, expand, or limit any regulation;

(6) the rule will not affect the number of individuals subject to the rule; and

(7) the rule will not have an impact on the state's economy.

TAKINGS IMPACT ASSESSMENT

The Commission has determined that the proposed amendment does not restrict or burden private real property rights and therefore does not constitute a taking under Texas Government Code §2007.043.

COSTS TO REGULATED PERSONS

The proposed amendment does not impose a cost on regulated persons, including another state agency, special district, or local government. Therefore, this rulemaking is not subject to Texas Government Code §2001.0045.

ENVIRONMENTAL IMPACT STATEMENT

The Commission has determined that this proposed rulemaking does not require an environmental impact analysis because it is not a major environmental rule under Texas Government Code §2001.0225.

REQUEST FOR PUBLIC COMMENT

Comments regarding this proposal may be submitted in writing within 30 days following the publication of this notice in the *Texas Register* to:

Frank King, General Counsel

Texas Commission on Fire Protection

P.O. Box 2286

Austin, Texas 78768

or emailed to frank.king@tcfp.texas.gov

STATUTORY AUTHORITY

This rule is proposed under Texas Government Code §419.008, which authorizes the Commission to adopt rules for the administration of its powers and duties.

CROSS-REFERENCE TO STATUTE

Texas Government Code §419.008 and Texas Occupations Code Chapter 55.

§437.7. Standards Manual and Certification Curriculum Manual Fees.

(a) Current versions of the Standards Manual for Fire Protection Personnel and Certification Curriculum Manual are available on the commission's website.

(b) The Commission does not provide printed copies of the manuals. Individuals may obtain official printed copies from authorized legal publishers or by downloading the publicly available digital versions from the Texas Secretary of State website. [~~The commission does not provide printed copies of the manuals. A printed copy of the commission's standards may be obtained from Thomson West, 610 Opperman Drive, Eagan, MN 55123, by requesting "Title 37, Public Safety and Corrections" of the Texas Administrative Code. The web address for Thomson West is www.thomsonreuters.com.~~]

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 May 6, 2026.

TRD-202601930
Mike Wisko
Agency Chief
Texas Commission on Fire Protection
Earliest possible date of adoption: June 21, 2026
For further information, please call: (512) 936-3812