ADOPTED RULES

Adopted rules include new rules, amendments to existing rules, and repeals of existing rules. A rule adopted by a state agency takes effect 20 days after the date on which it is filed with the Secretary of State unless a later date is required by statute or specified in the rule (Government Code, §2001.036). If a rule is adopted without change to the text of the proposed rule, then the *Texas Register* does not republish the rule text here. If a rule is adopted with change to the text of the proposed rule, then the final rule text is included here. The final rule text will appear in the Texas Administrative Code on the effective date.

TITLE 1. ADMINISTRATION

PART 10. DEPARTMENT OF INFORMATION RESOURCES

CHAPTER 213. ELECTRONIC AND INFORMATION RESOURCES

The Texas Department of Information Resources (department) adopts new rules, amendments and repeals to 1 Texas Administrative (TAC) Chapter 213, concerning Electronic and Information Resources. 1 Texas Administrative Code (TAC) Chapter 213, Subchapter A, §213.4, Subchapter B, §§213.11, 213.13, 213.17 - 213.22, and Subchapter C, §§213.31, 213.33, 213.37, 213.39 - 213.42, are adopted without changes to the proposal as published in the March 13, 2026, edition of the *Texas Register* (51 TexReg 1469) and will not be republished.

The department adopts 1 TAC Chapter 213, Subchapter A, §213.1, and Subchapter C, §213.38, with nonsubstantive changes to the rules as published in the March 13, 2026, edition of the *Texas Register* (51 TexReg 1469). These sections will be republished.

The department is taking no action on the proposed 1 TAC Chapter 213, Subchapter B, §§213.10, 213.12, and 213.15, and Subchapter C, §§213.30, 213.32, and 213.35, at this time.

The adopted amendments are the result of the department's statutory quadrennial rule review of 1 TAC Chapter 213. The department's formal notice of rule review was published in the November 17, 2023, issue of the *Texas Register* (48 TexReg 6751). The proposed rules were published in the March 13, 2026, edition of the *Texas Register* (51 TexReg 1469).

The adopted rules apply to state agencies and institutions of higher education.

Comments Received by the Department

The department received public comments from Texas Register staff, two executive state agency employees, and one institution of higher education employee.

The Texas Register staff member identified errors in publication resulting in incorrect cross-references to state agency rather than institution of higher education sections and referencing institutions of higher education as a state agency in Subchapter C, §§213.30, 213.32, and 213.38. The department declined to make changes to §§213.30 and 213.32 as the department is not taking any action on those items at this time. The department made nonsubstantive changes intended to remedy this error in §213.38(f)(3) from "substantially alters work methods of agency personnel or the delivery of services to clients" to "substantially alters work methods of institution personnel or the delivery of services to client" and §213.38(f)(2) from "involves more than one state agency or institution of higher education; or" to "involves more than one institution of higher education or state agency."

An executive state agency staff member identified a typographical error in §213.1(15) regarding the term Worldwide Web Consortium Web Content Accessibility Guidelines. The department considered this change and made a nonsubstantive amendment to correct the error.

An executive state agency staff member requested the department amend 1 TAC Chapter 213 to include a provision clarifying that a state-controlled digital elevator interface functioning as an interactive information system must comply with EIR accessibility requirements, including the procurement, development, maintenance, and evaluation thereof, and identifying additional specific accessibility requirements for mixed-function digital elevator interfaces. The department declined to make this change as identifying specific types of EIR to which this chapter applies is regulatorily inefficient and risks the department exceeding its statutory rulemaking authority.

An institution of higher education employee identified cross-reference errors and references to state agencies rather than institutions of higher education in Subchapter C, §§213.30, 213.32, 213.33, 213.35, 213.36, and 213.38. The department declined to make changes to §§213.30, 213.32, 213.35, and 213.36, as the department is not adopting these sections at this time. The department reviewed the comments regarding §213.33 and §213.38 and amended all incorrect cross-references from the state agency section to the correlative institution of higher education section and corrected typographical errors referencing state agencies instead of institutions of higher education.

An institution of higher education employee identified a section of the rule in the existing §213.38 that was not included either as a strikethrough or existing language in the published proposal. The department considered this comment and proposes a nonsubstantive amendment from "Unless an exception is approved by the president or chancellor of an institution of higher education pursuant to Texas Government Code § 2054.460 and §213.37 of this subchapter, all EIR products developed, procured or materially changed through a procured services contract, and all electronic and information resource services provided through hosted or managed services contracts, shall comply with the provisions of Chapter 206 and Chapter 213 of this title, as applicable" to "Unless an exception is approved by the president or chancellor of an institution of higher education pursuant to Texas Government Code § 2054.460 and §213.37 of this subchapter or an exemption is approved by the department pursuant to Texas Government Code § 2054.460 and 1 Texas Administrative Code §213.37, all EIR products developed, procured or materially changed through a procured services contract, and all

electronic and information resource services provided through hosted or managed services contracts, shall comply with the provisions of Chapter 206 and Chapter 213 of this title, as applicable."

Description of Adopted Changes

Within Subchapter A, the department adopts §213.1 and §213.4. Section 213.1 clarifies existing specialized defined terms and their definitions required by the rule, including the terms "Accessibility Conformance Report," "accessible," "alternate methods," "electronic and information resources (EIR)", "Electronic and information resources (EIR) development services," "exception," "product," "Section 508 Standards," "telecommunications," "Voluntary Product Accessibility Template (VPAT)", and World Wide Web Consortium Web Content Accessibility Guidelines," while also introducing new specialized terms, such as "digital accessibility" and "DOJ Title II rule." Section 213.4 consolidates department-only responsibilities currently replicated across Subchapters B and C into a single section.

The department adopts subchapter B, §§213.11, 213.13, 213.17 - 213.20, for state agencies and subchapter C, §§213.31, 213.33, 213.37 - 213.42, for institutions of higher education. These sections establish the minimum electronic and information resources accessibility standards and procurement requirements for state agencies, including institutions of higher education, required by Texas Government Code Chapter 2054, Subchapter M.

In §§213.19 - 213.20, for state agencies, and §§213.39 - 213.42, for institutions of higher education, the department establishes necessary programmatic, governance, and reporting requirements for an entity's accessibility programs.

In §213.21, for state agencies, and §213.41, for institutions of higher education, the department adopts the retitling of the EIR Accessibility Coordinator role to Digital Accessibility Officer, thereby streamlining this individual's responsibilities.

In §213.22, for state agencies, and §213.42, for institutions of higher education, the department repeals its existing obsolete holdover date and replaces this section with a section admonishing entities to adopt the higher required federal standard if there are discrepancies between two federal standards with which an entity must comply.

SUBCHAPTER A. DEFINITIONS AND DEPARTMENT RESPONSIBILITIES

1 TAC §213.1, §213.4

Enabling Authority

The new rule and amendments are adopted pursuant to Texas Government Code § 2054.052(a), which authorizes the department to adopt rules as necessary to implement its responsibilities under Texas Government Code Chapter 2054, and Texas Government Code § 2054.453, which requires the department to establish rules to implement electronic and information resources accessibility, including rules regarding the development, procurement, maintenance, and use of electronic and information resources by state agencies to provide access to individuals with disabilities and a procurement accessibility policy.

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

§213.1. Applicable Terms and Technologies for Electronic and Information Resources.

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

(1) Accessibility Conformance Report (ACR)--a report based on a completed VPAT demonstrating how a product or service conforms to WCAG standards and success criteria.

(2) Accessible--Describes an EIR that does not depend on a single sense or ability and does not limit use by people with disabilities.

(3) Agency head--The top-most senior executive with operational accountability for an agency, department, commission, board, office, council, authority, or other agency in the executive or judicial branch of state government that is created by the constitution or a statute of the state; or institutions of higher education as defined in Texas Education Code § 61.003.

(4) Alternate formats--Alternate formats usable by people with disabilities may include, but are not limited to, Braille, ASCII text, large print, recorded audio, and electronic formats that comply with this chapter.

(5) Alternate methods--Different means of providing information, including product documentation and the provision of government services through EIR, to people with disabilities. Alternate methods may include, but are not limited to, voice, fax, relay service, TTY, Internet posting, captioning, text-to-speech synthesis, and audio description.

(6) Assistive technology--Any item, piece of equipment, or system, whether acquired commercially, modified, or customized, that is commonly used to increase, maintain, or improve functional capabilities of individuals with disabilities.

(7) Commercial off-the-shelf product--a software product that is available in the commercial marketplace prior to customization.

(8) Department--The Department of Information Resources.

(9) Digital Accessibility--The practice of designing, developing, and maintaining EIR in a manner that ensures individuals with disabilities can access and utilize the technology.

(10) DOJ Title II Rule--The final rule published by the U.S. Department of Justice titled "Nondiscrimination on the Basis of Disability; Accessibility of Web Information and Communications Technology" (28 CFR Part 35, RIN 1190-AA80). This federal regulation requires state and local government entities to ensure that their web content and mobile applications are readily accessible to and usable by individuals with disabilities by conforming to the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards or higher.

(11) Electronic and information resources (EIR)--As defined by Texas Government Code § 2054.451. The term does not include equipment that contains embedded information technology where the principal function is not processing or managing information. If the embedded information technology processes or manages information through an external web or computer interface, that interface is considered EIR. Other terms such as, but not limited to, Information and Communications Technology (ICT) as defined by Section 508 Standards, Information Technology (IT) and Electronic Information Technology (EIT), etc. can be considered interchangeable terms with EIR for purposes of applicability or compliance with this chapter.

(12) Electronic and information resources (EIR) Development Services--Design, development, and / or programming services that developers provide for web development, application development, and/or configuration that impacts a user interface.

(13) Exception--A justified, documented non-compliance with one or more standards or specifications of Chapter 206 and/or Chapter 213 of this title or, as applicable, the DOJ Title II Rule, which has been approved by the agency head or the President or Chancellor of an Institution of Higher Education.

(14) Exemption--A justified, documented non-compliance with one or more standards or specifications of Chapter 206 and/or Chapter 213 of this title, which has been approved by the department and which is applicable statewide.

(15) Hardware--A tangible device, equipment, or physical component of ICT, such as telephones, computers, multifunction copy machines, and keyboards.

(16) Major information resource project (MIRP)--Any information resources technology project that meets the criteria defined in Texas Government Code § 2054.003(10).

(17) Operable controls--A component of a product that requires physical contact for normal operation. Operable controls include, but are not limited to, mechanically operated controls, input and output trays, card slots, keyboards, and keypads.

(18) Product--Electronic and information resources.

(19) Section 508 Standards--The technical standards established by Section 508 of the Rehabilitation Act of 1973 as amended, 29 U.S.C. § 794d, 36 C.F.R. § 1194.1, established by the federal Architectural and Transportation Barriers Compliance Board (the "Access Board") that apply to EIR developed, procured, maintained, or used by the federal government, including computer hardware and software, websites, phone systems, and copiers. The Section 508 standards were issued to implement Section 508 of the federal Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794d, which requires access for both members of the public and federal employees to such technologies when developed, procured, maintained, or used by federal agencies.

(20) Self Contained, Closed Products--Products that generally have embedded software and are commonly designed in such a fashion that a user cannot easily attach or install assistive technology. These products include, but are not limited to, information kiosks and information transaction machines, copiers, printers, calculators, fax machines, and other similar products.

(21) Technical Accessibility Standards and Specifications--Accessibility standards and specifications for Texas agency and institution of higher education websites and EIR set forth in Chapter 206 and/or Chapter 213 of this title.

(22) Telecommunications--As defined by Texas Government Code § 2054.003(14).

(23) Training/Technical Assistance--Training and technical assistance to comply with the accessibility standards.

(24) Voluntary Product Accessibility Template (VPAT)--A vendor-supplied industry template form used to document EIR compliance with technical accessibility standards and success criteria. A link to the standardized VPAT form is available at the department's website.

(25) World Wide Web Content Accessibility Guidelines--Internationally recognized set of technical standards designed to make web content and digital media accessible to people with disabilities.

(26) The terms referenced by Section 508 Appendices A and C and the DOJ Title II Rule shall have the meaning stated therein.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Virginia Hoelscher
General Counsel
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For further information, please call: (512) 475-4531

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SUBCHAPTER B. ACCESSIBILITY STANDARDS FOR STATE AGENCIES

1 TAC §§213.11, 213.13, 213.17 - 213.22

The amendments are adopted pursuant to Texas Government Code § 2054.052(a), which authorizes the department to adopt rules as necessary to implement its responsibilities under Texas Government Code Chapter 2054, and Texas Government Code § 2054.453, which requires the department to establish rules to implement electronic and information resources accessibility, including rules regarding the development, procurement, maintenance, and use of electronic and information resources by state agencies to provide access to individuals with disabilities and a procurement accessibility policy.

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

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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1 TAC §213.22

The repeal is adopted pursuant to Texas Government Code § 2054.052(a), which authorizes the department to adopt rules as necessary to implement its responsibilities under Texas Government Code Chapter 2054, and Texas Government Code § 2054.453, which requires the department to establish rules to implement electronic and information resources accessibility, including rules regarding the development, procurement, maintenance, and use of electronic and information resources by state agencies to provide access to individuals with disabilities and a procurement accessibility policy.

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

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SUBCHAPTER C. ACCESSIBILITY STANDARDS FOR INSTITUTIONS OF HIGHER EDUCATION

1 TAC §§213.31, 213.33, 213.37 - 213.42

The new rule and amendments are adopted pursuant to Texas Government Code § 2054.052(a), which authorizes the department to adopt rules as necessary to implement its responsibilities under Texas Government Code Chapter 2054, and Texas Government Code § 2054.453, which requires the department to establish rules to implement electronic and information resources accessibility, including rules regarding the development, procurement, maintenance, and use of electronic and information resources by state agencies to provide access to individuals with disabilities and a procurement accessibility policy.

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

§213.38. Procurements.

(a) For the procurement of EIR made directly by an institution of higher education or through the department's information technology commodity procurement contracts entered pursuant to Texas Government Code § 2157.068, the institution shall require a vendor to provide accessibility information for the purchased products or services, where applicable, through one of the following methods:

(1) inclusion of URLs to manufacturer's VPATS or ACRs for applicable Commercial Off the Shelf products or services;

(2) other documents / forms requested by the institution that provide credible evidence of the vendor's capability or ability to produce accessible EIR products and services. Such evidence may include, but is not limited to, a vendor's internal accessibility policy documents, contractual warranties for accessibility, accessibility testing documents, and examples of prior work results; or

(3) If credible accessibility documentation cannot be provided, then the EIR shall be considered noncompliant.

(b) An institution of higher education shall implement a procurement accessibility policy, and supporting business processes and contract terms for making procurement decisions. The institution of higher education shall monitor the procurement processes and contracts for accessibility compliance.

(c) This subchapter applies to EIR developed, procured, or materially changed by an institution of higher education, or developed, procured, or materially changed by a contractor under a contract with an institution of higher education, which requires the use of such product to a significant extent in the performance of a service or the furnishing of a product.

(d) Unless an exception is approved by the president or chancellor of an institution of higher education pursuant to Texas Government Code § 2054.460 and §213.37 of this subchapter or unless an exemption is approved by the department pursuant to Texas Government Code § 2054.460 and §213.37 of this subchapter, all EIR products developed, procured or materially changed through a procured services contract, and all electronic and information resource services provided through hosted or managed services contracts, shall comply with the provisions of Chapter 206 and Chapter 213 of this title, as applicable.

(e) An institution of higher education must include accessibility testing, planning, and execution criteria for EIR development and implementation projects.

(f) Accessibility testing:

(1) requires one year or longer to reach operations status;

(2) involves more than one institution of higher education or state agency; or

(3) substantially alters work methods of institution of higher education or agency personnel or the delivery of services to clients.

(g) Nothing in this subchapter is intended to prevent the use of designs or technologies as alternatives to those prescribed in this subchapter provided they result in substantially equivalent or greater access to and use of a product for people with disabilities.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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1 TAC §213.42

The repeal is adopted pursuant to Texas Government Code § 2054.052(a), which authorizes the department to adopt rules as necessary to implement its responsibilities under Texas Government Code Chapter 2054, and Texas Government Code § 2054.453, which requires the department to establish rules to implement electronic and information resources accessibility, including rules regarding the development, procurement, maintenance, and use of electronic and information resources by state agencies to provide access to individuals with disabilities and a procurement accessibility policy.

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

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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TITLE 16. ECONOMIC REGULATION

PART 2. PUBLIC UTILITY COMMISSION OF TEXAS

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

SUBCHAPTER H. CERTIFICATES OF CONVENIENCE AND NECESSITY

16 TAC §24.245, §24.259

The Public Utility Commission of Texas (commission) adopts amendments to §24.245, relating to Revocation of a Certificate of Convenience and Necessity or Amendment of a Certificate of Convenience and Necessity by Decertification, Expedited Release or Streamlined Expedited Release, and §24.259, relating to Single Certification in Incorporated or Annexed Areas, with changes to the proposed text as published in the April 10, 2026 issue of the *Texas Register* (51 TexReg 2300). The rules will be republished.

Amendments to §24.245 establish requirements for an expedited release and a streamlined expedited release petitioner to submit a report to the commission, which verifies that the petitioner paid compensation to the former certificate of convenience and necessity (CCN) holder. Amendments to §24.259 implement the following process and procedural modifications: establishes requirements for a municipality or franchised utility to submit a report to the commission verifying that compensation was paid by it to the former retail public utility; replaces the requirement for the commission to determine compensation for former retail public utility property rendered useless or valueless by single certification with a requirement to determine just and adequate compensation for adverse effects on property remaining in former utility's ownership; and requires that appeals against a final order of the commission granting single certification to a municipality must be filed with the commission before seeking further review. Additionally, clarifying and consistency edits were made to the rule language, including non-substantive revisions to a definition to improve clarity. The amendments are adopted under Project Number 59332.

The commission did not receive public comments on the proposed amendments.

The amendments are adopted under TWC §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 TWC that is necessary and convenient to the exercise of that power and jurisdiction; TWC §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; TWC §13.254(a-3), which provides the commission the authority to require the reporting of compensation paid by the petitioner to the decertified retail public utility; TWC §13.2541(f), which provides the commission the authority to require the reporting of compensation paid by the petitioner to the CCN holder; TWC §13.255(c-1), which provides the commission the authority to require the reporting of adequate and just compensation paid by the municipality or franchised utility to the former retail public utility; and TWC §13.255(c-3), which authorizes a retail public utility to appeal a final order of the commission granting single certification to a municipality.

Cross Reference to Statutes: Texas Water Code §13.041(a); §13.041(b); §13.254(a-3); §13.2541(f); §13.255(c-1); and §13.255(c-3).

§24.245. Revocation of a Certificate of Convenience and Necessity or Amendment of a Certificate of Convenience and Necessity by Decertification, Expedited Release, or Streamlined Expedited Release.

(a) Applicability. This section applies to proceedings for revocation or amendment by decertification, expedited release, or streamlined expedited release of a certificate of convenience and necessity (CCN).

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

(1) Alternate retail public utility--The retail public utility from which a landowner plans to receive service after the landowner obtains expedited release under subsection (f) of this section.

(2) Amendment--The change of a CCN to remove a portion of a service area by decertification amendment, expedited release, or streamlined expedited release.

(3) Current CCN holder--An entity that currently holds a CCN to provide service to an area for which revocation or amendment is sought.

(4) Decertification amendment--A process by which a portion of a certificated service area is removed from a CCN, other than expedited release or streamlined expedited release.

(5) Expedited Release--Removal of a tract of land from a CCN area under Texas Water Code (TWC) §13.254(a-1).

(6) Former CCN holder--An entity that formerly held a CCN to provide service to an area that was removed from the entity's service area by revocation or amendment.

(7) Landowner--The owner of a tract of land who files a petition for expedited release or streamlined expedited release.

(8) Prospective retail public utility--A retail public utility seeking to provide service to a removed area.

(9) Removed area--Area that will be or has been removed under this section from a CCN.

(10) Streamlined Expedited Release--Removal of a tract of land from a CCN area under TWC §13.2541.

(c) Provisions applicable to all proceedings for revocation, decertification amendment, expedited release, or streamlined expedited release.

(1) An order of the commission issued under this section does not transfer any property, except as provided under subsection (l) of this section.

(2) A former CCN holder is not required to provide service within a removed area.

(3) If the CCN of any retail public utility is revoked or amended by decertification, expedited release, or streamlined expedited release, the commission may by order require one or more other retail public utilities to provide service to the removed area, but only with the consent of each retail public utility that is to provide service.

(4) A retail public utility, including an alternate retail public utility, may not in any way render retail water or sewer service directly or indirectly to the public in a removed area unless any compensation due has been paid to the former CCN holder and a CCN to serve the area has been obtained, if one is required.

(d) Revocation or amendment by decertification.

(1) At any time after notice and opportunity for hearing, the commission may revoke any CCN or amend any CCN by decertifying a portion of the service area if the commission finds that any of the circumstances identified in this paragraph exist.

(A) The current CCN holder has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in all or part of the certificated service area. If the current CCN holder opposes revocation or decertification amendment on one of these bases, it has the burden of proving that it is, or is capable of, providing continuous and adequate service.

(B) The current CCN holder is in an affected county as defined in TWC §16.341, and the cost of providing service by the current CCN holder is so prohibitively expensive as to constitute denial of service. Absent other relevant factors, for commercial developments or residential developments started after September 1, 1997, the fact that the cost of obtaining service from the current CCN holder makes the development economically unfeasible does not render such cost prohibitively expensive.

(C) The current CCN holder has agreed in writing to allow another retail public utility to provide service within its certificated service area or a portion of its service area, except for an interim period, without amending its CCN.

(D) The current CCN holder failed to apply for a cease-and-desist order under TWC §13.252 and §24.255 of this title (relating to Content of Request for Cease and Desist Order by the Commission under TWC §13.252) within 180 days of the date that the current CCN holder became aware that another retail public utility was providing service within the current CCN holder's certificated service area, unless the current CCN holder proves that good cause exists for its failure to timely apply for a cease-and-desist order.

(E) The current CCN holder has consented in writing to the revocation or amendment.

(2) A retail public utility may file a written request with the commission to revoke its CCN or to amend its CCN by decertifying a portion of the service area.

(A) The retail public utility must provide, at the time its request is filed, notice of its request to each customer and landowner within the affected service area of the utility.

(B) The request must specify the area that is requested to be revoked or removed from the CCN area.

(C) The request must address the effect of the revocation or decertification amendment on the current CCN holder, any existing customers, and landowners in the affected service area.

(D) The request must include the mapping information required by §24.257 of this title (relating to Mapping Requirements for Certificate of Convenience and Necessity Applications).

(E) The commission may deny the request to revoke or amend a CCN if existing customers or landowners will be adversely affected.

(F) If a retail public utility's request for decertification amendment or revocation by consent under this paragraph is granted, the retail public utility is not entitled to compensation from a prospective retail public utility.

(3) The commission may initiate a proceeding to revoke a CCN or decertify a portion of a service area on its own motion or upon request of commission staff.

(4) The current CCN holder has the burden to establish that it is, or is capable of, providing continuous and adequate service and, if applicable, that there is good cause for failing to file a cease and desist action under TWC §13.252 and §24.255 of this title.

(e) Decertification amendment for a municipality's service area. After notice to a municipality and an opportunity for a hearing, the commission may decertify an area that is located outside the municipality's extraterritorial jurisdictional boundary if the municipality has not provided service to the area on or before the fifth anniversary of the date the CCN was granted for the area. This subsection does not apply to an area that was transferred to a municipality's certificated service area by the commission and for which the municipality has spent public funds.

(1) A proceeding to remove an area from a municipality's service area may be initiated by the commission with or without a petition.

(2) A petition filed under this subsection must allege that a CCN was granted for the area more than five years before the petition was filed and the municipality has not provided service in the area.

(3) A petition filed under this subsection must include the mapping information required by §24.257 of this title.

(4) Notice of the proceeding to remove an area must be given to the municipality, landowners within the area to be removed, and other retail public utilities as determined by the presiding officer.

(5) If the municipality asserts that it is providing service to the area, the municipality has the burden to prove that assertion.

(f) Expedited release.

(1) An owner of a tract of land may petition the commission for expedited release of all or a portion of the tract of land from a current CCN holder's certificated service area so that the area may receive service from an alternate retail public utility if all the following circumstances exist:

(A) the tract of land is at least 50 acres in size;

(B) the tract of land is not located in a platted subdivision actually receiving service;

(C) the landowner has submitted a request for service to the current CCN holder at least 90 calendar days before filing the petition;

(D) the alternate retail public utility possesses the financial, managerial, and technical capability to provide service as identified in the request for service provided under paragraph (5) of this subsection on a continuous and adequate basis; and

(E) the current CCN holder:

(i) has refused to provide service;

(ii) cannot provide service as identified in the request for service provided under paragraph (5) of this subsection on a continuous and adequate basis; or

(iii) conditions the provision of service on the payment of costs not properly allocable directly to the landowner's service request, as determined by the commission.

(2) An owner of a tract of land may not file a petition under paragraph (1) of this subsection if the landowner's property is located in the boundaries of any municipality or the extraterritorial jurisdiction of a municipality with a population of more than 500,000 and the municipality or retail public utility owned by the municipality is the current CCN holder.

(3) The landowner's desired alternate retail public utility must be:

(A) an existing retail public utility; or

(B) a district proposed to be created under article 16, §59 or article 3, §52 of the Texas Constitution.

(4) The fact that a current CCN holder is a borrower under a federal loan program does not prohibit the filing of a petition under this subsection or authorizing an alternate retail public utility to provide service to the removed area.

(5) The landowner must submit to the current CCN holder a written request for service. The request must be sent by certified mail, return receipt requested, or by hand delivery with written acknowledgement of receipt. For a request other than for standard residential or commercial service, the written request must identify the following:

(A) the tract of land or portion of the tract of land for which service is sought;

(B) the time frame within which service is needed for current and projected service demands in the tract of land;

(C) the reasonable level and manner of service needed for current and projected service demands in the area;

(D) the approximate cost for the alternate retail public utility to provide service at the same level, and in the same manner, that is requested from the current CCN holder;

(E) the flow and pressure requirements and specific infrastructure needs, including line size and system capacity for the required level of fire protection requested, if any; and

(F) any additional information requested by the current CCN holder that is reasonably related to determining the capacity or cost of providing service at the level, in the manner, and in the time frame, requested.

(6) The landowner's petition for expedited release under this subsection must be verified by a notarized affidavit and demonstrate that the circumstances identified in paragraph (1) of this subsection exist. The petition must include the following:

(A) the name of the alternate retail public utility;

(B) a copy of the request for service submitted as required by paragraph (5) of this subsection;

(C) a copy of the current CCN holder's response to the request for service, if any;

(D) copies of deeds demonstrating ownership of the tract of land by the landowner; and

(E) the mapping information described in subsection (k) of this section.

(7) The landowner must mail a copy of the petition to the current CCN holder and the alternate retail public utility via certified mail on the day that the landowner files the petition with the commission.

(8) The presiding officer will determine whether the petition is administratively complete. If the petition is determined not to be administratively complete, the presiding officer will issue an order describing the deficiencies in the petition and setting a deadline for the petitioner to address the deficiencies. When the petition is determined to be administratively complete, the presiding officer will establish a procedural schedule that is consistent with paragraphs (9) and (10) of this subsection. The presiding officer may recommend dismissal of the petition under §22.181(d) of this title if the petitioner fails to supplement or amend the petition within the required timeframe after the presiding officer has determined that the petition is not administratively complete.

(9) The current CCN holder may file a response to the petition within a timeframe specified by the presiding officer, not to exceed 20 days from the date the petition is determined to be administratively complete. The response must be verified by a notarized affidavit.

(10) The commission will grant the petition within 60 calendar days from the date the petition was found to be administratively complete unless the commission makes an express finding that the landowner failed to satisfy all of the requirements of this subsection and makes separate findings of fact and conclusions of law for each requirement based solely on the information provided by the landowner and the current CCN holder. The commission may condition the granting or denial of a petition on terms and conditions specifically related to the landowner's service request and all relevant information submitted by the landowner, the current CCN holder, and commission staff.

(11) The commission will base its decision on the filings submitted by the current CCN holder, the landowner, and commission staff. Chapter 2001 of the Texas Government Code does not apply to any petition filed under this subsection. The current CCN holder or landowner may file a motion for rehearing of the commission's decision on the same timeline that applies to other final orders of the commission. The commission's order ruling on the petition may not be appealed.

(12) If the current CCN holder has never made service available through planning, design, construction of facilities, or contractual obligations to provide service to the tract of land, the commission is not required to find that the alternate retail public utility can provide better service than the current CCN holder, but only that the alternate retail public utility can provide the requested service. This paragraph does not apply to Cameron, Willacy, and Hidalgo Counties or to a county that meets any of the following criteria:

(A) the county has a population of more than 30,000 and less than 36,000 and borders the Red River;

(B) the county has a population of more than 100,000 and less than 200,000 and borders a county described by subparagraph (A) of this paragraph;

(C) the county has a population of 170,000 or more and is adjacent to a county with a population of 1.5 million or more that is within 200 miles of an international border; or

(D) the county has a population of more than 40,000 and less than 50,000 and contains a portion of the San Antonio River.

(13) If the alternate retail public utility is a proposed district, then the commission will condition the release of the tract of land and required CCN amendment or revocation on the final and unappealable creation of the district. The district must file a written notice with the commission when the creation is complete and provide a copy of the final order, judgment, or other document creating the district.

(14) The commission may require an award of compensation to the former CCN holder under subsection (g) of this section. The

determination of the amount of compensation, if any, will be made according to the procedures in subsection (g) of this section.

(15) If the commission requires an award of compensation to the former CCN holder, the petitioner must file a report verifying that the full amount of compensation has been paid to the former CCN holder. The report must be filed in the same docket in which compensation was awarded within 30 days of payment of compensation.

(g) Determination of compensation to former CCN holder after revocation, decertification amendment or expedited release. The determination of the monetary amount of compensation to be paid to the former CCN holder, if any, will be determined at the time another retail public utility seeks to provide service in the removed area and before service is actually provided. This subsection does not apply to revocations or decertification amendments under subsection (d)(2) of this section or to streamlined expedited release under subsection (h) of this section.

(1) After the commission has issued its order granting revocation, decertification, or expedited release, the prospective retail public utility must file a notice of intent to provide service. A notice of intent filed before the commission issues its order under subsection (d) or (f) of this section is deemed to be filed on the date the commission's order is signed.

(2) The notice of intent must include the following information:

(A) a statement that the filing is a notice of intent to provide service to an area that has been removed from a CCN under subsection (d) or (f) of this section;

(B) the name and CCN number of the former CCN holder; and

(C) whether the prospective retail public utility and former CCN holder have agreed on the amount of compensation to be paid to the former CCN holder.

(3) If the former CCN holder and prospective retail public utility have agreed on the amount of compensation to be paid to the former CCN holder, they must make a joint filing with the commission within 60 days of the filing of the notice of intent to provide service. The filing must state the amount of the compensation to be paid.

(4) If the former CCN holder and prospective retail public utility have not agreed on the compensation to be paid to the former CCN holder, the monetary amount of compensation must be determined by a qualified individual or firm serving as an independent appraiser as follows:

(A) If the former CCN holder and prospective retail public utility have agreed on an independent appraiser, they must make a joint filing with the commission identifying the individual or firm who will be the independent appraiser and must file its appraisal with the commission within 60 days of the filing of the notice of intent. The costs of the independent appraiser must be borne by the prospective retail public utility.

(B) If the former CCN holder and prospective retail public utility cannot agree on an independent appraiser within ten days of the filing of the notice of intent, the former CCN holder and prospective retail public utility must each engage its own appraiser at its own expense. Each appraiser must file its appraisal with the commission within 60 days of the filing of the notice of intent. After receiving the appraisals, the commission will appoint a third appraiser who must make a determination of compensation within 30 days. The determination by the commission-appointed appraiser may not be less than the lower appraisal or more than the higher appraisal of the appraisers engaged by the former CCN holder and prospective retail public utility. The former CCN holder and prospective retail public utility must each pay half the cost of the commission-appointed appraisal directly to the commission-appointed appraiser.

(C) The appraisers must determine the amount of compensation in accordance with subsection (j) of this section.

(5) The determination of compensation by the agreed-upon appraiser under paragraph (4)(A) of this subsection or the commission-appointed appraiser under paragraph (4)(B) of this subsection is binding on the commission, the landowner, the former CCN holder, and the prospective retail public utility.

(6) If the former CCN holder fails to make a filing with the commission about the amount of agreed compensation, or to engage an appraiser, or to file an appraisal within the timeframes required by this subsection, the amount of compensation to be paid will be deemed to be zero. If the prospective retail public utility fails to make a filing with the commission about the amount of agreed compensation, or to engage an appraiser, or to file an appraisal within the timeframes required by this subsection, the presiding officer may recommend denial of the notice of intent to provide service to the removed area.

(7) The commission will issue an order establishing the amount of compensation to be paid to the former CCN holder not later than 90 days after the date on which a retail public utility files its notice of intent to provide service to the decertified area.

(h) Streamlined expedited release.

(1) The owner of a tract of land may petition the commission for streamlined expedited release of all or a portion of the tract of land from the current CCN holder's certificated service area if all the following conditions are met:

(A) the tract of land is at least 25 acres in size;

(B) the tract of land is not receiving service of the type that the current CCN holder is authorized to provide under the applicable CCN; and

(C) at least part of the tract of land is located in the current CCN holder's certificated service area and at least some of that part is located in a qualifying county.

(2) A qualifying county under paragraph (1)(C) of this subsection:

(A) has a population of at least 1.2 million;

(B) is adjacent to a county with a population of at least 1.2 million, and does not have a population of more than 50,500 and less than 52,000; or

(C) has a population of more than 200,000 and less than 233,500 and does not contain a public or private university that had a total enrollment in the most recent fall semester of 40,000 or more.

(3) A landowner seeking streamlined expedited release under this subsection must file with the commission a petition and supporting documentation containing the following information and verified by a notarized affidavit:

(A) a statement that the petition is being submitted under TWC §13.2541 and this subsection;

(B) proof that the tract of land is at least 25 acres in size;

(C) proof that at least part of the tract of land is located in the current CCN holder's certificated service area and at least some of that part is located in a qualifying county;

(D) a statement of facts that demonstrates that the tract of land is not currently receiving service;

(E) copies of deeds demonstrating ownership of the tract of land by the landowner;

(F) proof that a copy of the petition was mailed to the current CCN holder via certified mail on the day that the landowner filed the petition with the commission; and

(G) the mapping information described in subsection (k) of this section.

(4) The presiding officer will determine whether the petition is administratively complete. If the petition is determined not to be administratively complete, the presiding officer will issue an order describing the deficiencies in the petition and setting a deadline for the petitioner to address the deficiencies. When the petition is determined to be administratively complete, the presiding officer will establish a procedural schedule that is consistent with paragraphs (5) and (6) of this subsection. The presiding officer may recommend dismissal of the petition if the petitioner fails to supplement or amend the petition within the required timeframe after the presiding officer has determined that the petition is not administratively complete.

(5) The current CCN holder may file a response to the petition within a timeframe specified by the presiding officer, not to exceed 20 days from the date the petition is determined to be administratively complete. The response must be verified by a notarized affidavit.

(6) The commission will issue a decision on a petition filed under this subsection no later than 60 calendar days after the presiding officer by order determines that the petition is administratively complete. The commission will base its decision on the information filed by the landowner, the current CCN holder, and commission staff. No hearing will be held.

(7) The fact that a current CCN holder is a borrower under a federal loan program is not a bar to the release of a tract of land under this subsection. The CCN holder must not initiate an application to borrow money under a federal loan program after the date the petition is filed until the commission issues a final decision on the petition.

(8) The commission may require an award of compensation by the landowner to the former CCN holder as specified in subsection (i) of this section.

(9) If the commission requires an award of compensation to the former CCN holder, the petitioner must file a report verifying that the full amount of compensation has been paid to the former CCN holder. The report must be filed in the same docket in which compensation was awarded within 30 days of payment of compensation.

(i) Determination of compensation to former CCN holder after streamlined expedited release. The amount of compensation, if any, will be determined after the commission has granted a petition for streamlined expedited release filed under subsection (h) of this section. The amount of compensation, if any, will be decided in the same proceeding as the petition for streamlined expedited release.

(1) If the former CCN holder and landowner have agreed on the amount of compensation to be paid to the former CCN holder, they must make a joint filing with the commission within 70 days after the commission has granted streamlined expedited release. The filing must state the amount of the compensation to be paid.

(2) If the former CCN holder and landowner have not agreed on the compensation to be paid to the former CCN holder, the monetary amount of compensation must be determined by a qualified individual or firm serving as an independent appraiser under the following procedure.

(A) If the former CCN holder and landowner have agreed on an independent appraiser, the former CCN holder and landowner must make a joint filing with the commission identifying the individual or firm who will be the independent appraiser after the commission grants streamlined expedited release under subsection (h) of this section. The costs of the independent appraiser must be borne by the landowner. The appraiser must file its appraisal with the commission within 70 days after the commission grants streamlined expedited release.

(B) If the former CCN holder and landowner have not agreed on an independent appraiser within ten days after the commission grants streamlined expedited release under subsection (h) of this section, the former CCN holder and landowner must each engage its own appraiser at its own expense. Each appraiser must file its appraisal with the commission within 70 calendar days after the commission grants streamlined expedited release. After receiving the appraisals, the commission will appoint a third appraiser who must make a determination of compensation within 100 days after the date the commission grants streamlined expedited release. The determination by the commission-appointed appraiser may not be less than the lower appraisal or more than the higher appraisal made by the appraisers engaged by the former CCN holder and landowner. The former CCN holder and landowner must each pay half the cost of the commission-appointed appraisal directly to the commission-appointed appraiser.

(C) The appraisers must determine the amount of compensation in accordance with subsection (j) of this section.

(3) The determination of compensation by the agreed-upon appraiser under paragraph (2)(A) of this subsection or the commission-appointed appraiser under paragraph (2)(B) of this subsection is binding on the commission, former CCN holder, and landowner.

(4) If the former CCN holder fails to make a filing with the commission about the amount of agreed compensation, or engage an appraiser, or file an appraisal within the timeframes required by this subsection, the amount of compensation to be paid will be deemed to be zero. If the landowner fails to make a filing with the commission about the amount of agreed compensation, or engage an appraiser, or file an appraisal within the timeframes required by this subsection, the commission will base the amount of compensation to be paid on the appraisal provided by the CCN holder.

(5) The commission will issue an order establishing the amount of compensation to be paid and directing the landowner to pay the compensation to the former CCN holder not later than 60 days after the commission receives the final appraisal.

(6) The landowner must pay the compensation to the former CCN holder not later than 90 days after the date the compensation amount is determined by the commission. The commission will not authorize a prospective retail public utility to serve the removed area until the landowner has paid to the former CCN holder any compensation that is required.

(j) Valuation of real and personal property of the former CCN holder.

(1) The value of real property must be determined according to the standards set forth in chapter 21 of the Texas Property Code governing actions in eminent domain.

(2) The value of personal property must be determined according to this paragraph. The following factors must be used in valuing personal property:

(A) the amount of the former CCN holder's debt allocable to service to the removed area;

(B) the value of the service facilities belonging to the former CCN holder that are located within the removed area;

(C) the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area;

(D) the amount of the former CCN holder's contractual obligations allocable to the removed area;

(E) any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under this section;

(F) the impact on future revenues lost from existing customers;

(G) necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC §13.257(r); and

(H) any other relevant factors as determined by the commission.

(k) Mapping information.

(1) For proceedings under subsections (f) or (h) of this section, the following mapping information must be filed with the petition:

(A) a general-location map identifying the tract of land in reference to the nearest county boundary, city, or town;

(B) a detailed map identifying the tract of land in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads. If ownership of the tract of land is conveyed by multiple deeds, this map must also identify the location and acreage of land conveyed by each deed; and

(C) one of the following for the tract of land:

(i) a metes-and-bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor;

(ii) a recorded plat; or

(iii) digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US feet) or in NAD 83 Texas Statewide Mapping System (meters). The digital mapping data must include a single, continuous polygon record.

(D) a written and signed attestation confirming that the representative responsible for creating the mapping information has reviewed the commission's online mapping resources on the commission's CCN Mapping Resources webpage, including all video files. The attestation must be in the following format: "I, {name}, serve as {employment title} of {applicant name}. I am responsible for creating mapping information required for this application. Before submitting mapping information in conjunction with the application, I reviewed the mapping resources on the Public Utility Commission's CCN Mapping Resources webpage, including all video files."

(2) Commission staff may request additional mapping information.

(3) All maps must be filed in accordance with §22.71 and §22.72 of this title (relating to Filing of Pleadings, Documents and Other Materials and Formal Requisites of Pleadings and Documents to be filed with the Commission, respectively).

(l) Additional conditions for decertification under subsection (d) of this section.

(1) If the current CCN holder did not agree in writing to a revocation or amendment by decertification under subsection (d) of this section, then an affected retail public utility may request that the revocation or amendment be conditioned on the following:

(A) ordering the prospective retail public utility to provide service to the entire service area of the current CCN holder; and

(B) transferring the entire CCN of the current CCN holder to the prospective retail public utility.

(2) If the commission finds that, as a result of revocation or amendment by decertification under subsection (d) of this section, the current CCN holder will be unable to provide continuous and adequate service at an affordable cost to the current CCN holder's remaining customers, then:

(A) the commission will order the prospective retail public utility to provide continuous and adequate service to the remaining customers at a cost comparable to the cost of that service to the prospective retail public utility's other customers and will establish the terms under which service must be provided; and

(B) the commission may order any of the following terms:

(i) transfer of debt and other contract obligations;

(ii) transfer of real and personal property;

(iii) establishment of interim rates for affected customers during specified times; and

(iv) other provisions necessary for the just and reasonable allocation of assets and liabilities.

(3) The prospective retail public utility must not charge the affected customers any transfer fee or other fee to obtain service, except for the following:

(A) the prospective retail public utility's usual and customary rates for monthly service, or

(B) interim rates set by the commission, if applicable.

(4) If the commission orders the prospective retail public utility to provide service to the entire service area of the current CCN holder, the commission will not order compensation to the current CCN holder, the commission will not make a determination of the amount of compensation to be paid to the current CCN holder, and the prospective retail public utility must not file a notice of intent under subsection (g) of this section.

§24.259. Single Certification in Incorporated or Annexed Areas.

(a) Applicability. This section applies to a requested area that also meets the following criteria:

(1) the requested area has been incorporated or annexed by a municipality;

(2) a retail public utility provides service to the requested area under a certificate of convenience and necessity (CCN); and

(3) the retail public utility that holds the CCN under which the requested area is currently certificated is one of the following:

(A) a water supply or sewer service corporation, a special utility district under chapter 65 of the Texas Water Code, or a fresh water supply district under chapter 53 of the Texas Water Code; or

(B) not a water supply or sewer service corporation, and its service area is located entirely within the boundaries of a municipality that has a population of at least 1.7 million according to the most recent federal census.

(b) Definitions. In this section, the following words and terms have the definitions provided by this subsection.

(1) Impaired property--Property remaining in the ownership of the current CCN holder after single certification that would sustain damages from or be adversely affected by the transfer of property to the municipality.

(2) Franchised utility--A retail public utility that has been granted a franchise by a municipality to provide service inside the municipal boundaries.

(3) Current CCN holder--The retail public utility that holds a CCN to provide service to the municipality's requested area.

(4) Requested property--Property that the municipality has requested in its application be transferred to it or to a franchised utility from the current CCN holder, which request is solely for application purposes and does not, by itself, effectuate an actual transfer.

(c) Notice of intent to provide service in incorporated or annexed area. A municipality that intends to provide service itself or through a franchised utility to all or part of an annexed or incorporated area must notify the current CCN holder in writing of the municipality's intent. The written notice to the current CCN holder must specify the following information:

(1) the municipality's requested area;

(2) any requested property;

(3) the municipal ordinance or other action that annexed or incorporated the municipality's requested area;

(4) what kind of service will be provided;

(5) whether a municipally owned utility or franchised utility will provide the service; and

(6) the municipally owned utility's or the franchised utility's identity and contact information.

(d) Written agreement regarding service to area. The municipality and the current CCN holder may agree in writing that all or part of the area incorporated or annexed by the municipality may receive service from a municipally owned utility, a franchised utility, or the current CCN holder, or any combination of those entities.

(1) If a franchised utility is to provide service to any part of the area, the franchised utility must also be a party to the agreement.

(2) The executed agreement may provide for single or dual certification of all or part of the area incorporated or annexed by the municipality, for the purchase of facilities or property, and may contain any other terms agreed to by the parties.

(3) The executed agreement must be filed with the commission. The commission must incorporate the agreement's terms into the respective CCNs of the municipality, current CCN holder, and franchised utility, as appropriate.

(e) Application for single certification. If an agreement is not executed within 180 calendar days after the municipality provides written notice under subsection (c) of this section and the municipality intends to provide service to the municipality's requested area, the municipality must submit an application to the commission to grant single certification to a municipally owned utility or a franchised utility.

(1) If a franchised utility will provide service to any part of the municipality's requested area, the franchised utility must join the application.

(2) The application must include all of the information listed in this paragraph.

(A) The application must identify the municipal ordinance or other action that annexed or incorporated the municipality's requested area.

(B) The application must identify the type of service that will be provided to the municipality's requested area.

(C) The application must identify the municipally owned utility or franchised utility that will provide service to the municipality's requested area and, if each will serve part of the area, the area that each will serve.

(D) The application must identify contact information for the current CCN holder.

(E) The application must demonstrate compliance with the TCEQ's minimum requirements for public drinking water systems if the municipality owns a public drinking water system.

(F) The application must demonstrate that at least 180 calendar days have passed since the date that the municipality provided written notice under subsection (c) of this section.

(G) The application must identify with specificity any property that the municipality requests be transferred from the current CCN holder.

(H) The application must identify the boundaries of the municipality's incorporated area or extraterritorial jurisdiction by providing digital-mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US feet) or in NAD 83 Texas Statewide Mapping System (meters). The digital mapping data must include a single, continuous polygon record.

(I) The application must identify the municipality's requested area by providing mapping information to clearly identify the area the municipality is seeking in accordance with §24.257 of this title relating to Mapping Requirements for Certificate of Convenience and Necessity Application. Commission staff may request additional mapping information after the application is submitted.

(3) Within 30 calendar days of the filing of the application, commission staff must file a recommendation regarding whether the application meets the requirements of this subsection.

(f) Notices for single-certification application. The applicant must send a copy of the application to the current CCN holder by certified mail or hand-delivery on the same day that the applicant submits the application to the commission.

(g) Response to single-certification application. The current CCN holder must file a response to the application for single certification in conformance with this subsection.

(1) The response must be filed within 40 calendar days of the filing of the application.

(2) The response must state the following information:

(A) whether the single certification is agreed to; and

(B) if there is no agreement for single certification, any conditions that, if met, would cause the current CCN holder to agree to single certification.

(3) In its response, the current CCN holder must identify any impaired property that would result from certification of the municipality's requested area to the municipality.

(4) There is a rebuttable presumption that there is no impaired property if the current CCN holder fails to timely respond as required under paragraph (1) of this subsection. Upon motion and proof of service consistent with the requirements of subsection (f) of this section, the presiding officer may issue an order determining that there is no impaired property.

(h) Referral to SOAH.

(1) Within 50 calendar days of the filing of the application, a presiding officer must determine whether an application for single certification meets the requirements of subsection (e) of this section.

(2) If the presiding officer determines that the application meets the requirements of subsection (e) of this section, the application must be referred to the State Office of Administrative Hearings (SOAH) for a hearing. SOAH must fix a time and place for a hearing on the application and must notify the current CCN holder, municipality, and franchised utility, if any, of the hearing.

(3) Except as provided under paragraph (4) of this subsection, if the presiding officer determines that the application does not meet the requirements of subsection (e) of this section, the applicant must supplement its application to correct the identified deficiencies within a timeframe, and under a process, established by the presiding officer.

(4) The application must be denied if the municipality fails to demonstrate compliance with the TCEQ's minimum requirements for public drinking water systems. This paragraph does not apply to a municipality that does not own a public drinking water system.

(i) Hearing at SOAH.

(1) The hearing at SOAH must be limited to determining what property, if any, is impaired property or requested property.

(2) The current CCN holder bears the burden of proof to demonstrate what property is impaired property.

(3) The requested property must be limited to the specific property identified in the application.

(4) The SOAH administrative law judge must issue a proposal for decision for the commission's consideration.

(j) Interim order. The commission must issue an interim order identifying what property, if any, is impaired property or requested property.

(k) Administrative Completeness. Section 24.8 of this title relating to Administrative Completeness does not apply to the determination of administrative completeness under this section. After the commission has issued its interim order under subsection (j) of this section, a presiding officer must determine whether the application for single certification is administratively complete and must establish a procedural schedule that will allow total compensation for any property identified in the interim order to be determined not later than 90 calendar days after the application is determined to be administratively complete.

(l) Valuation of real property. The value of real property that the commission identified in the interim order issued under subsection (j) of this section must be determined according to the standards set forth in Texas Property Code, chapter 21, governing actions in eminent domain.

(m) Valuation of personal property. The value of personal property that the commission identified in the interim order issued under subsection (j) of this section must be determined according to this subsection.

(1) This subsection is intended to ensure that the compensation to a current CCN holder is just and adequate as provided by these rules.

(2) The following factors must be used to value personal property that the commission identified in the interim order issued under subsection (j) of this section:

(A) the impact on the current CCN holder's existing indebtedness and the current CCN holder's ability to repay that debt;

(B) the value of the current CCN holder's service facilities located within the municipality's requested area;

(C) the amount of any expenditures for planning, design, or construction of service facilities outside the incorporated or annexed area that are allocable to service to the municipality's requested area;

(D) the amount of the current CCN holder's contractual obligations allocable to the municipality's requested area;

(E) any demonstrated impairment of service or increase of cost to the current CCN holder's customers that remain after the single certification;

(F) the impact on future revenues lost from existing customers;

(G) necessary and reasonable legal expenses and professional fees;

(H) factors relevant to maintaining the current financial integrity of the current CCN holder; and

(I) other relevant factors as determined by the commission.

(n) Valuation Process.

(1) For an area incorporated by a municipality, the valuation of property that the commission identified in the interim order issued under subsection (j) of this section must be determined by a qualified individual or firm serving as an independent appraiser. The independent appraiser must be limited to appraising the property that the commission identified in the interim order issued under subsection (j) of this section. The current CCN holder must select the independent appraiser by the 21st calendar day after the date of the order determining that the application is administratively complete. The municipality must pay the independent appraiser's costs. The independent appraiser must file its appraisal with the commission by the 70th calendar day after the date of the order determining that the application is administratively complete. The valuation of property under this paragraph is binding on the commission.

(2) For an area annexed by a municipality, the valuation of property that the commission identified in the interim order issued under subsection (j) of this section must be determined by one or more independent appraisers under the process set forth in this paragraph. All independent appraisers must be limited to appraising the property that the commission identified in the interim order issued under subsection (j) of this section. All independent appraisers must be qualified individuals or firms.

(A) If the current CCN holder and the municipality can agree on an independent appraiser within ten calendar days after the application is found administratively complete, the agreed-upon inde-

pendent appraiser must make a valuation of the property that the commission identified in the interim order issued under subsection (j) of this section.

(i) The agreed-upon independent appraiser must file its appraisal with the commission by the 70th calendar day after the date of the order determining that the application is administratively complete.

(ii) A valuation of property under this subparagraph is binding on the commission.

(B) If the current CCN holder and the municipality cannot agree on an independent appraiser within ten calendar days after the application is found administratively complete, the municipality must notify the serving CCN holder in writing of the failure to agree.

(i) If the parties still cannot agree within 11 calendar days of the written notification, on the 11th day, the current CCN holder and the municipality must each file with the commission a letter appointing a qualified individual or firm to serve as an independent appraiser.

(I) Within 10 business days of their appointment, the independent appraisers must meet to reach an agreed valuation of property that the commission identified in the interim order issued under subsection (j) of this section.

(II) If the independent appraisers reach an agreed valuation of property, the agreed valuation under this subclause is binding on the commission.

(ii) If the appraisers cannot agree on a valuation before the 16th business day after the date of their first meeting under this subsection, then both parties must file separate appraisals by that date, and either the current CCN holder or the municipality must petition the commission to appoint a third appraiser to reconcile the two appraisals.

(I) The commission may delegate authority to appoint the third appraiser.

(II) The third appraiser must file an appraisal that reconciles the two other appraisals by the 80th calendar day after the application is found administratively complete.

(III) The third appraiser's valuation may not be less than the lower or more than the higher of the two original appraisals filed under subparagraph (B)(ii) of this paragraph.

(IV) A valuation of property under this clause is binding on the commission.

(C) The current CCN holder and the municipality must each pay one-half of the costs of all of the appraisers appointed under this paragraph. Payment must be made directly to the appraisers, and proofs of payment must be separately filed by the current CCN holder and the prospective retail public utility within 30 calendar days of the date of the invoice.

(o) Action after receipt of appraisals.

(1) An order incorporating the valuation determined under subsection (n) of this section must be issued by the 90th calendar day after the application is found administratively complete.

(2) The commission must deny the application if the municipality fails to demonstrate compliance with the TCEQ's minimum requirements for public drinking water systems. This paragraph does not apply to a municipality that does not own a public drinking water system.

(3) If the commission does not deny the application, the commission must do the following:

(A) determine what property, if any, is impaired property or requested property;

(B) determine the monetary amount that is adequate and just to compensate the current CCN holder for any such impaired property and requested property;

(C) require the municipality or franchised utility to file a report verifying that the full amount of just and adequate compensation has been paid to the former retail public utility. The report must be filed in the same docket in which compensation was awarded within 30 days of payment of compensation; and

(D) grant single certification to the municipality or franchised utility.

(4) The granting of single certification must be effective on the date that:

(A) the municipality or franchised utility pays adequate and just compensation under a court order;

(B) the municipality or franchised utility pays an amount into the registry of the court or to the current CCN holder under TWC §13.255(f); or

(C) the Travis County district court's judgment becomes final, if the court's judgment provides that the current CCN holder is not entitled to any compensation.

(5) The commission's order does not transfer any property, except as provided under subsection (u) of this section. Any other transfer of property under this section must be obtained only by a court judgment rendered under TWC §13.255(d) or (e).

(6) A presiding officer may issue an order under this section. Any such order must be the final act of the commission subject to motions for rehearing under the commission's rules.

(p) Appeal to the commission, district court, district court judgment, and transfer of property.

(1) A retail public utility that is aggrieved by the final order of the commission may file an appeal with the commission in a separate hearing within 7 days after the final order is issued. A retail public utility must file an appeal with the commission before filing an appeal with the district court.

(2) Under TWC §13.255(e), any party that is aggrieved by a final order of the commission under this section may file an appeal with the district court of Travis County within 30 days after the order becomes final.

(3) Under TWC §13.255(d), if the commission's final order is not appealed within 30 days, the municipality may request the Travis County district court to enter a judgment consistent with the commission's order.

(q) Withdrawal of application for single certification. A municipality or a franchised utility may withdraw an application for single certification without prejudice at any time before a court judgment becomes final, provided that the municipality or the franchised utility has not taken physical possession of property owned by the current CCN holder or made payment for the right to take physical possession under TWC § 13.255(f).

(r) Additional requirements regarding certain current CCN holders. The following subsection applies to proceedings under

this section in which the current CCN holder meets the criteria of subsection (a)(3)(B) of this section.

(1) The commission or a court, as appropriate, must determine that the service provided by the current CCN holder is substandard or its rates are unreasonable in view of the current CCN holder's reasonable expenses.

(2) If the municipality abandons its application, the commission is authorized to award to the current CCN holder its reasonable expenses incurred to participate in the proceeding addressing the municipality's application, including attorney's fees.

(3) Unless the current CCN holder otherwise agrees, the municipality must take all of the current CCN holder's personal and real property that is used and useful to provide service or is eligible to be deemed so in a future rate case.

(s) Notice of single certification. Within 60 days of a transfer of property under a court judgment, the municipality or franchised utility must provide written notice to each customer within the service area that is now singly certificated. The written notice must provide the following information: the identity of the municipality or franchised utility, the reason for the transfer, the rates to be charged by the municipality or franchised utility, and the effective date of those rates.

(t) Provision of service.

(1) A municipally owned utility or a franchised utility may provide service to all or a portion of an incorporated or annexed area on one of the following dates:

(A) the date that the commission incorporates the terms of an executed agreement filed with the commission under subsection (d)(3) of this section into the CCNs of the municipality, current CCN holder, and franchised utility, if applicable; or

(B) the date that the municipality or franchised utility:

(i) pays adequate and just compensation under court order, or

(ii) pays an amount into the registry of the court or to the current CCN holder under TWC §13.255(f).

(2) If the court judgment provides that the current CCN holder is not entitled to any compensation, the grant of single certification must go into effect when the court judgment becomes final.

(u) Additional conditions.

(1) If the current CCN holder did not agree in writing to a revocation or amendment sought under this section, then an affected retail public utility may request that the revocation or amendment be conditioned on the following:

(A) ordering the municipality or franchised utility, as applicable, to provide service to the entire service area of the current CCN holder; and

(B) transferring the entire CCN of the current CCN holder to the municipality or franchised utility, as applicable.

(2) The commission must order the municipality or franchised utility, as applicable, to provide service to the entire service area of the current CCN holder if the commission finds that the current CCN holder will be unable to provide continuous and adequate service at an affordable cost to the current CCN holder's remaining customers.

(A) The commission must order the municipality or franchised utility, as applicable, to provide continuous and adequate service to the remaining customers at a cost comparable to the cost of that service to the municipality's or franchised utility's other customers and must establish the terms under which service must be provided.

(B) The commission may order the following terms:

(i) transfer of debt and other contract obligations;

(ii) transfer of real and personal property;

(iii) establishment of interim service rates for affected customers during specified times; and

(iv) other provisions necessary for the just and reasonable allocation of assets and liabilities.

(3) The municipality or franchised utility, as applicable, must not charge the affected customers any transfer fee or other fee to obtain service, except:

(A) the municipality's or franchised utility's usual and customary rates for monthly service, or

(B) interim rates set by the commission, if applicable.

(4) If the commission orders the municipality or franchised utility, as applicable, to provide service to the entire service area of the current CCN holder, the proceeding must not be referred to SOAH for a hearing to determine the impaired property or requested property, and the commission must not order compensation to the current CCN holder.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

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Katelyn Lewis
Projects Coordinator
Public Utility Commission of Texas
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Proposal publication date: April 10, 2026
For further information, please call: (512) 936-7044

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TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 61. SCHOOL DISTRICTS
SUBCHAPTER A. BOARD OF TRUSTEES RELATIONSHIP

19 TAC §61.4

The State Board of Education (SBOE) adopts new §61.4, concerning school district boards of trustees. The new section is adopted without changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1231) and will not be republished. The new section reflects changes made by Senate Bill (SB) 204, 89th Texas Legislature, 2025, to the SBOE's duty to provide training courses for independent school district trustees.

REASONED JUSTIFICATION: Texas Education Code (TEC), §11.159, Member Training and Orientation, requires the SBOE to provide a training course for school board trustees. Chapter 61, School Districts, Subchapter A, Board of Trustees Rela-

tionship, most recently amended effective August 25, 2025, addresses this statutory requirement. School board trustee training under current SBOE rule includes a local school district orientation session; a basic orientation to the TEC; an annual team-building session with the local school board and the superintendent; additional hours of continuing education based on identified needs; training on evaluating student academic performance; training on identifying and reporting potential victims of sexual abuse, human trafficking, and other maltreatment of children; and training on school safety.

In November 2025, the committee discussed both an outline of the parental rights training curriculum and the new rule regarding the training. The committee also held a public hearing regarding the training curriculum.

The adopted new rule establishes the purpose of the training, specifies the timeline and number of hours required for training based on a board member's length of service, and requires that school districts maintain verification of training completion for each school board member.

The SBOE approved the new section for first reading and filing authorization at its January 30, 2026 meeting and for second reading and final adoption at its April 10, 2026 meeting.

In accordance with TEC, §7.102(f), the SBOE approved the new section for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2026-2027 school year. The earlier effective date will ensure that school districts and charter schools can adopt the revisions as soon as possible. The effective date is 20 days after filing as adopted with the *Texas Register*.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began February 27, 2026, and ended at 5:00 p.m. on March 30, 2026. The SBOE also provided an opportunity for registered oral and written comments at its April 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of public comments received and corresponding responses.

Comment. A school board trustee commented on Texas Education Agency (TEA)-approved training providers teaching districts how to circumvent state law and expressed concern that this training would be used to teach how to circumvent parental rights, with an outcome of fewer parental rights. The commenter also requested less required training for trustees.

Response. The SBOE disagrees that this training, created by the SBOE with the assistance of TEA, will circumvent parental rights. Rather, this training is designed to support and ensure parental rights are maintained by school board members. Training organizations will not deliver this training; it will be administered through the TEA Learn platform.

Comment. A Texas community member argued that parents are divinely granted primary authority and responsibility for their children's success, while schools should focus on teaching content and allow students to face consequences earned through their own behavior. The commenter criticized public education policies for blurring responsibility, limiting parental accountability in discipline and engagement, and enabling disruptive behaviors that harm learning. The commenter also contended that school boards overstep their role by interfering with parental rights, failing to uphold constitutional principles, and reducing transparency and accountability to citizens and taxpayers.

Response. The SBOE agrees that parents are the primary authority for their children. The SBOE disagrees that the parental rights training for school board trustees blurs the lines of responsibility; rather, the training is designed with the intention to educate school board trustees to support parental rights.

Comment. A citizen stated that requiring five hours of training for new board members is excessive compared to other mandated trainings, which only require three hours. For consistency across requirements, the commenter concluded that three hours of training would be sufficient.

Response. The SBOE disagrees, as the scope of the material determines the amount of time required to adequately cover the training content. While the initial training will require more hours to ensure a comprehensive understanding of parental rights, the number of required hours will be reduced in subsequent years.

Comment. A school board trustee commented that school board trustees already face extensive training requirements, among the highest for elected officials in the state. The commenter argued that an additional three to five hours of training on parental rights is excessive given trustees' oversight role, existing legal compliance mechanisms, and current training on the TEC. The commenter recommended reducing the requirement, integrating it into existing training, or allowing experienced trustees to test out of repeated coursework.

Response. The SBOE disagrees, as the scope of the material determines the amount of time required to adequately cover the training content. While the initial training will require more hours to ensure a comprehensive understanding of parental rights, the number of required hours will be reduced in subsequent years.

STATUTORY AUTHORITY. The new section is adopted under Texas Education Code, §11.159(b-2), as added by Senate Bill 204, 89th Texas Legislature, Regular Session, 2025, which obligates the State Board of Education (SBOE) to require trustees to complete training on parental rights. The statute also requires the SBOE, with assistance from the Texas Education Agency, to develop the curriculum and materials for the training by April 1, 2026.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §11.159(b-2), as added by Senate Bill 204, 89th Texas Legislature, Regular Session, 2025.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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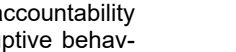
For further information, please call: (512) 475-1497



CHAPTER 74. CURRICULUM REQUIREMENTS

SUBCHAPTER A. REQUIRED CURRICULUM

19 TAC §74.4

The State Board of Education (SBOE) adopts the repeal of §74.4, concerning English Language Proficiency Standards (ELPS). The repeal is adopted without changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1233) and will not be republished. The adopted repeal removes the ELPS for Kindergarten-Grade 12 in §74.4 that will be superseded by 19 TAC §120.20, English Language Proficiency Standards, Kindergarten-Grade 3, Adopted 2024, and §120.21, English Language Proficiency Standards, Grades 4-12, Adopted 2024, beginning with the 2026-2027 school year.

REASONED JUSTIFICATION: In 1998, standards for English as a second language (ESL) for students in Kindergarten-Grade 12 were adopted as part of 19 TAC Chapter 128, Texas Essential Knowledge and Skills for Spanish Language Arts and Reading and English as a Second Language. In a subsequent Title III monitoring visit, the U.S. Department of Education (USDE) indicated that there was insufficient evidence demonstrating that the ESL standards outlined in 19 TAC Chapter 128 were aligned to state academic content and achievement standards in mathematics, as required by the No Child Left Behind Act (NCLB), §2113(b)(2). In November 2007, the SBOE adopted the ELPS as part of 19 TAC Chapter 74, Curriculum Requirements, to comply with NCLB requirements. The adopted ELPS in §74.4 clarified that state standards in English language acquisition must be implemented as an integral part of the instruction in each foundation and enrichment subject. Additionally, English language proficiency levels of beginning, intermediate, advanced, and advanced high in the domains of listening, speaking, reading, and writing were established as part of the ELPS, as required by NCLB. The superseded second language acquisition standards in 19 TAC Chapter 128 were also repealed in September 2008 during the process of revising the Texas Essential Knowledge and Skills (TEKS) in 19 TAC Chapters 110 and 128.

The SBOE began review and revision of the ELPS in 2019, in accordance with the SBOE's approved TEKS and instructional materials review schedule. Applications to serve on ELPS review work groups were posted on the Texas Education Agency (TEA) website in December 2018, and TEA distributed a survey to collect information from educators regarding the current ELPS. Work groups were convened in March, May, August, September, and October 2019. In September 2019, the USDE indicated that Texas only partially met the requirements of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act, and requested additional evidence that the ELPS are aligned to the state's academic content standards and contain language proficiency expectations needed for emergent bilingual students to demonstrate achievement of the state academic standards appropriate to each grade level/grade band in at least reading language arts, mathematics, and science.

In response to feedback from work group members and the USDE, TEA staff convened a panel of experts in second language acquisition from Texas institutions of higher education to complete an analysis of the work group recommendations and current research on English language acquisition. Based on the panel's findings and direction from the SBOE, TEA executed personal services contracts with the panel members and a representative of an education service center to prepare a draft of revisions to the ELPS. Text of the draft ELPS completed by the expert panel was presented to the SBOE at the June 2023 SBOE meeting.

Applications to serve on the 2023-2024 ELPS review work groups were collected by TEA from June 2023 through January 2024. TEA staff provided SBOE members with applications for approval to serve on ELPS work groups in July, September, and December 2023 and January 2024. ELPS review work groups were convened in August, September, and November 2023 and March 2024 with the charge of reviewing and revising the expert panel's draft. In April 2024, the SBOE held a discussion item on the proposed new ELPS, and in May and June 2024, TEA convened a final work group to complete the recommendations for the new ELPS.

In September 2024, the SBOE adopted new ELPS for implementation in the 2026-2027 school year to ensure the standards are current and comply with federal requirements. The adopted repeal removes the ELPS in §74.4 that will be superseded by the new ELPS in 19 TAC §120.20 and §120.21 beginning with the 2026-2027 school year.

The SBOE approved the repeal for first reading and filing authorization at its January 30, 2026 meeting and for second reading and final adoption at its April 10, 2026 meeting contingent upon approval by the Committee on Instruction within 60 days. The Committee on Instruction held a special-called meeting on April 21, 2026, and approved the repeal.

In accordance with Texas Education Code, §7.102(f), the SBOE approved the repeal for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2026-2027 school year. The earlier effective date will remove the ELPS and related implementation language that will be superseded by 19 TAC §120.20 and §120.21 beginning with the 2026-2027 school year to avoid confusion. The effective date is August 1, 2026.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began February 27, 2026, and ended at 5:00 p.m. on March 30, 2026. The SBOE also provided an opportunity for registered oral and written comments at its April 2026 meeting in accordance with the SBOE board operating policies and procedures. No public comments were received.

STATUTORY AUTHORITY. The repeal is adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; and TEC, §29.051, which establishes bilingual education and special language programs in public schools and provides supplemental financial assistance to help school districts meet the extra costs of the programs.

CROSS REFERENCE TO STATUTE. The repeal implements Texas Education Code, §§7.102(c)(4), 28.002(a), and 29.051.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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SUBCHAPTER B. GRADUATION REQUIREMENTS

19 TAC §74.14

The State Board of Education (SBOE) adopts an amendment to §74.14, concerning performance acknowledgments. The amendment is adopted without changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1241) and will not be republished. The adopted amendment updates the minimum score required for a performance acknowledgement on the SAT, aligns language related to ACT with language related to SAT, and adds the Classic Learning Test® and Preliminary SAT (PSAT) 10 to appropriate performance acknowledgments.

REASONED JUSTIFICATION: The SBOE adopted rules in 19 TAC Chapter 74, Subchapter B, to implement the Foundation High School Program effective July 8, 2014. In April 2018, the SBOE adopted an amendment to update the number of subject tests on the ACT Aspire™ examination that are required to earn a performance acknowledgement and to update the qualifying score on the SAT exam to a single composite score of 1350. The committee was recently made aware that the amended language that was adopted in 2018 for SAT and ACT is inconsistent.

At the January 2026 meeting, the College Board presented public testimony to the Committee on Instruction with information from concordance tables developed and approved by the College Board and ACT. The ACT-SAT concordance tables indicate that an SAT score of 1340 should be used as the equivalent to an ACT score of 29 when a single SAT score is needed. It was also brought to the committee's attention that the PSAT™ 10 has more flexible testing windows but is otherwise the same exam as the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT)®.

The adoption corrects the inconsistency in references to SAT and ACT, updates the minimum score required for a performance acknowledgement on the SAT from 1350 to 1340, and adds the Classic Learning Test® and PSAT 10 to appropriate performance acknowledgments.

The SBOE approved the amendment for first reading and filing authorization at its January 30, 2026 meeting and for second reading and final adoption at its April 10, 2026 meeting contingent upon approval by the Committee on Instruction within 60 days. The Committee on Instruction held a special-called meeting on April 21, 2026, and approved the amendment.

In accordance with Texas Education Code, §7.102(f), the SBOE approved the amendment for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2026-2027 school year. The earlier effective date will allow districts of innovation that begin school prior to the statutorily required start date to implement the proposed rulemaking when they begin their school year. The effective date is August 1, 2026.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began February 27, 2026, and ended at 5:00 p.m. on March 30, 2026. The SBOE also provided an opportunity for registered oral and written comments at its April 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of public comments received and corresponding responses.

Comment. One counselor and one out-of-state individual expressed support for adding PSAT 10 as an eligible assessment for a performance acknowledgment.

Response. The SBOE agrees and took action to approve the amendment to add PSAT 10 to the eligible assessments for a performance acknowledgment as proposed.

Comment. One out-of-state individual expressed support for updating the qualifying SAT score from 1350 to 1340 to ensure fairness and consistency across assessments in alignment with the ACT-SAT concordance tables.

Response. The SBOE agrees and took action to approve the amendment to update the qualifying SAT score to 1340 as proposed.

STATUTORY AUTHORITY. The amendment is adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; and TEC, §28.025(c-5), which requires the SBOE to adopt rules permitting a student to earn a performance acknowledgment on the student's transcript for outstanding performance in a dual credit course; in bilingualism and biliteracy; on a college advanced placement test or international baccalaureate examination; on an established, valid, reliable, and nationally norm-referenced preliminary college preparation assessment instrument used to measure a student's progress toward readiness for college and the workplace; on an established, valid, reliable, and nationally norm-referenced assessment instrument used by colleges and universities as part of their undergraduate admissions process; or for earning a state recognized or nationally or internationally recognized business or industry certification or license.

CROSS REFERENCE TO STATUTE. The amendment implements Texas Education Code, §7.102(c)(4) and §28.025(c-5).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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CHAPTER 89. ADAPTATIONS FOR SPECIAL POPULATIONS

SUBCHAPTER AA. COMMISSIONER'S RULES CONCERNING SPECIAL EDUCATION SERVICES

DIVISION 7. DISPUTE RESOLUTION

19 TAC §§89.1150, 89.1175, 89.1195, 89.1197

The Texas Education Agency (TEA) adopts amendments to §§89.1150, 89.1175, 89.1195, and 89.1197, concerning special education services. The amendments to §§89.1150, 89.1175,

and 89.1195 are adopted without changes to the proposed text as published in the January 23, 2026 issue of the *Texas Register* (51 TexReg 375) and will not be republished. The amendment to §89.1197 is adopted with changes to the proposed text as published in the January 23, 2026 issue of the *Texas Register* (51 TexReg 375) and will be republished. The adopted amendments clarify program practices and requirements relating to dispute resolution in accordance with House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025.

REASONED JUSTIFICATION: Section 89.1150 establishes general provisions for special education dispute resolution. The adopted amendment adds new subsection (b) to inform parents and school districts that TEA may share student-level information with an outside entity in accordance with the Family Educational Rights and Privacy Act for the purposes of facilitating local resolution of disputes related to special education.

Section 89.1175 establishes representation in special education due process hearings. The adopted amendment adds new subsection (d)(2) to establish a requirement for the non-attorney representative to have knowledge of all special education dispute resolution options available to parents to align with HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025. An adopted amendment to the figure in subsection (c) reflects the new requirement for alignment.

Section 89.1195 establishes provisions for special education complaint resolution. After careful consideration and a targeted focus on assisting school systems and families with preventing and resolving disagreements at the earliest stage possible, TEA is adopting the repeal of language that authorized a party to request a reconsideration process if the party felt that the agency made an error that was material to its decision or was incorrect in its determination. A reconsideration process is not required under federal or state law. Given the narrow scope of the reconsideration process and the absence of a legal requirement, the agency has determined that students' best interests are better served by prioritizing timely, consistent resolution of complaints through comprehensive, thorough, and accurate investigations and investigative reports.

The adopted amendment to §89.1197 updates the section title to align with HB 2 and SB 568. Further adopted changes to subsections (c) and (f)(2) allow statewide individualized education program (IEP) facilitation to be used prior to a potential dispute and when a dispute has arisen related to the provision of free and appropriate public education (FAPE). These changes align the rule with HB 2 and SB 568. Adopted updates to subsection (f) and (f)(3) provide clarity to school districts and parents regarding the process and timeline for when a request for a state-appointed facilitator must be filed. The timeline in subsection (f)(3) has been revised at adoption from ten calendar days to ten school days based on public comment.

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began January 23, 2026, and ended February 23, 2026, and included public hearings on February 12 and 13, 2026. Following is a summary of public comments received and agency responses.

§89.1150, General Provisions

Comment: The Texas Association of School Boards (TASB) requested clarification regarding whether the agency intends to provide additional notice when student-level information may be shared under proposed new §89.1150(b) in accordance with the Family Educational Rights and Privacy Act (FERPA).

Response: The agency provides the following clarification. Proposed new §89.1150(b) is intended to inform parties that the agency may share student-level information in accordance and in compliance with FERPA for purposes of facilitating local resolution of disputes. The agency does not intend to establish additional notice requirements beyond those provided in the rule text and applicable federal law.

Comment: The Texas School Alliance (TSA) commented in support of proposed new subsection (b), stating that transparent notice regarding information sharing promotes efficient dispute resolution.

Response: The agency agrees.

§89.1175, Representation in Special Education Due Process Hearings

Comment: TASB requested clarification on how the requirement that non-attorney representatives have knowledge of all special education dispute resolutions would be operationalized and enforced, including whether compliance would need to be required beyond the form adopted in subsection (c). TASB also requested clarification regarding the authority and role of hearing officers in assessing or enforcing this requirement.

Response: The agency clarifies that the requirement is met through the documentation referenced in §89.1175(c) and does not expand hearing officers' authority beyond their existing jurisdiction under current law.

Comment: TSA commented in support of the proposed requirement in §89.1175(d)(2), stating that ensuring non-attorney representatives are knowledgeable about dispute resolution options would enhance the effectiveness and professionalism of the due process resolution system.

Response: The agency agrees.

Comment: The Texas Council of Administrators of Special Education (TCASE) commented in support of the proposed addition of §89.1175(d)(2), stating it would improve informed parent representation and promote earlier collaboration between parents and districts to resolve disputes.

Response: The agency agrees.

§89.1195, Special Education Complaint Resolution

Comment: TCASE recommended amending §89.1195(b) to require that complaints involving a specific student be forwarded to the student's parent, guardian, or court-appointed special education advocate.

Response: The agency disagrees. The recommended amendment would place an additional requirement for filing a special education complaint that would be inconsistent with 34 CFR, §§300.151-300.153.

Comment: TCASE commented that §89.1195(e) does not provide districts with a meaningful opportunity to respond early in the complaint process and recommended clarifying that districts may communicate TEA earlier, propose resolutions, and receive recognition for voluntary correction.

Response: The agency disagrees. During the investigation timeline, parties may pursue early or local resolution options described in the complaint notices, and if a local education agency (LEA) corrects any noncompliance and submits documentation

before issuance of the investigative report, the agency may choose not to issue a finding.

Comment: Seventeen individuals, Austin Independent School District (ISD), Richardson ISD, Lovejoy ISD, Caddo Mills ISD, Lubbock-Cooper ISD, Denton ISD, Plano ISD, Frisco ISD, Arlington ISD, Northwest ISD, Orenda Charter Schools, Disability Rights Texas (DRTx), TCASE, TASB, TSA, and legal counsel at Walsh Gallegos Kyle Robinson & De Los Santos, P.C. disagreed with the proposed deletion of §89.1195(f) and (j). Each commenter raised at least one concern that the reconsideration process serves as an important procedural safeguard, allows correction of factual or legal errors, supports accurate determinations, promotes fairness and public confidence, or that eliminating the reconsideration process could result in inaccurate findings, unnecessary corrective actions, or increased escalation to other dispute resolution processes.

Response: The agency disagrees. A separate reconsideration process is not required by state or federal law, and eliminating reconsideration supports timely and consistent resolution of complaints. Parties may submit information during the investigation, and parents and public education agencies retain access to other procedural safeguards, including mediation and due process.

Comment: Three individuals, Austin ISD, Richardson ISD, Lovejoy ISD, Caddo Mills ISD, Denton ISD, Frisco ISD, Arlington ISD, Orenda Charter Schools, TASB, and legal counsel at Walsh Gallegos Kyle Robinson & De Los Santos, P.C. raised at least one concern that special education complaint investigations rely heavily on investigator-requested documentation and may overlook relevant records not specifically requested, increasing the risk of inaccurate findings, and identified the reconsideration process as one mechanism for submitting additional documentation or clarifying evidence to correct factual or legal errors before findings become final.

Response: The agency disagrees. Investigative reports are considered final, and parties are not limited in terms of what documentation they may submit for consideration during an investigation. While the agency requests documentation for an investigation based on the allegations raised in the complaint, LEAs and complainants may submit any documentation they want the agency to review. Complaint notices inform parties of their opportunity to submit additional information, orally or in writing, and LEAs are informed that they may provide a written response and any documentation that may assist the investigation.

Comment: Two individuals, Arlington ISD, Richardson ISD, Austin ISD, and Denton ISD disagreed with the removal of the reconsideration process for complaint determinations, stating that incorrect findings may result in resource-intensive corrective action plans and the implementation of unnecessary or inconsistent actions that divert time and resources away from affected students.

Response: The agency disagrees that a reconsideration process is necessary. Parties may submit any information during the investigation, and corrective actions are limited to addressing identified noncompliance. The agency monitors corrective action to ensure consistency with state and federal law while supporting timely resolution of complaints.

Comment: One individual, Richardson ISD, Caddo Mills ISD, Denton ISD, Frisco ISD, Northwest ISD, and legal counsel at Walsh Gallegos Kyle Robinson & De Los Santos, P.C. commented that eliminating the reconsideration process would remove an efficient, low-cost administrative process for correcting error and could increase escalation to more formal dispute resolution processes, increasing costs and resource demands.

Response: The agency disagrees. A separate reconsideration process is not required by state or federal law. Eliminating reconsideration supports timely and consistent resolution of special education complaints and allows the agency to focus resources on conducting comprehensive, thorough, and accurate investigations. Parents and public education agencies retain access to other procedural safeguards, including mediation, TEA-assisted resolution, and due process, consistent with state and federal law.

Comment: Two individuals and Arlington ISD disagreed with the proposed deletion of §89.1195(j), arguing that eliminating the appeal mechanism would allow incorrect findings and legally erroneous corrective actions to stand. The commenters cited recent reversals involving independent educational evaluation rights and evaluation timelines as evidence that oversight is necessary to prevent unlawful, systemwide policy changes and inconsistent guidance.

Response: The agency disagrees and clarifies that removing §89.1195(j) will not result in incorrect findings or unlawful corrective actions, as the agency maintains processes to ensure consistency and compliance with state and federal law.

Comment: Four individuals, Caddo Mills ISD, and Denton ISD questioned whether eliminating the reconsideration process is required to align with SB 568 or HB 2, noting that removal is not mandated by statute and reflects a policy choice.

Response: The agency provides the following clarification. Eliminating reconsideration is a policy determination within the agency's authority, as reconsideration is not required by state or federal law. The agency supports timely and final complaint resolution while maintaining required procedural safeguards.

Comment: TCASE requested clarification on whether Education Freedom Account IEP requirements in Texas Education Code (TEC), §29.3615(c) and (d), are subject to the state special education complaint process and recommended that TEC, Chapter 29, Subchapter J, be addressed separately from existing special education regulations.

Response: This comment is outside the scope of the proposed rulemaking.

Comment: One individual, Denton ISD, TCASE, and TASB opposed eliminating reconsideration and recommended retaining the process with limitations or clarifications, such as restricting requests to significant errors or establishing procedural parameters. DRTx similarly commented recommending improving understanding of the grounds for reconsideration rather than eliminating the process.

Response: The agency disagrees. A separate reconsideration process or separate administrative review process is not required by state or federal law, and eliminating reconsideration supports timely and consistent complaint resolution while preserving existing procedural safeguards.

§89.1197, State Individualized Education Program Facilitation

Comment: Three individuals, Arlington ISD, DRTx, TCASE, and TSA commented in support of expanding the TEA IEP Facilitation Program under §89.1197(c) and (f), stating that earlier access to TEA-facilitated admission, review, and dismissal (ARD) meetings may help resolve disputes related to FAPE and pre-

vent escalation. TSA further supported a statewide IEP facilitation framework with clear procedures and timelines.

Response: The agency agrees.

Comment: Three individuals and Arlington ISD recommended revising §89.1197(f)(3) to change the timeline for requesting ARD facilitation from 10 calendar days to ten school days, stating that aligning the timeline with the 10-school-day period for scheduling a disagreement ARD under §89.1055(p)(1) would promote consistency, improve scheduling feasibility, and prevent timelines from tolling during school breaks when ARD committee meetings are not held.

Response: The agency agrees and has updated §89.1197(f)(3) at adoption to specify a timeline of 10 school days to request IEP facilitation.

STATUTORY AUTHORITY. The amendments are adopted under Texas Education Code (TEC), §29.001, which requires the agency to develop and modify as necessary a statewide plan for the delivery of services to children with disabilities that ensures the availability of a free appropriate public education to children between the ages of 3-21; TEC, §29.010, which establishes criteria for general supervision and compliance; TEC, §29.019, which establishes criteria for individualized education program (IEP) facilitation; TEC, §29.020, as amended by House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025, which establishes criteria for state-administered IEP facilitation; TEC, §29.0162, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes criteria for representation in a special education due process hearing; 34 Code of Federal Regulations (CFR), §300.149, which establishes the state educational agency responsibility for general supervision; 34 CFR, §300.151, which establishes the criteria for the adoption of state complaint procedures; 34 CFR, §300.152, which establishes the criteria for minimum state complaint procedures; 34 CFR, §300.153, which establishes the criteria for filing a complaint; 34 CFR, §300.504, which establishes the criteria for procedural safeguards notice; 34 CFR, §300.512, which establishes hearing rights; and 34 CFR, §300.600, which establishes criteria for state monitoring and enforcement.

CROSS REFERENCE TO STATUTE. The amendments implement Texas Education Code, §§29.001, 29.010, and 29.019; §29.020 and §29.0162, as amended by House Bill 2 and Senate Bill 568, 89th Texas Legislature, Regular Session, 2025; and §29.0162; and 34 Code of Federal Regulations, §§300.149, 300.151, 300.152, 300.153, 300.504, 300.512, and 300.600.

§89.1197. State-Administered Individualized Education Program Facilitation.

(a) In accordance with Texas Education Code, §29.020, the Texas Education Agency (TEA) will establish a program that provides independent individualized education program (IEP) facilitators.

(b) For purposes of this section, where TEA is referenced in subsections (c)-(p) of this section and where not otherwise prohibited by law, TEA may delegate duties and responsibilities to an education service center (ESC) when it is determined to be the most efficient way to implement the program.

(c) For the purpose of this section, IEP facilitation has the same general meaning as described in §89.1196(a) of this title (relating to Individualized Education Program Facilitation), except that state IEP facilitation may be utilized by a school district and a parent of a student with a disability to avoid a potential dispute relating to the provision of a free and appropriate public education (FAPE) or when the admission, review, and dismissal (ARD) committee meeting has ended in disagreement about decisions relating to the provision of FAPE to a student with a disability and the facilitator is an independent facilitator provided by TEA.

(d) A request for IEP facilitation under this section must be filed by completing a form developed by TEA that is available upon request from TEA and on the TEA website. The form must be filed with TEA by one of the parties by electronic mail, mail, hand-delivery, or facsimile.

(e) IEP facilitation under this section must be voluntary on the part of the parties and provided at no cost to the parties.

(f) In order for TEA to provide an independent facilitator, the request must be submitted jointly by a school district and a parent of a student with a disability, and the following conditions must be met.

(1) The required form must be completed and signed by both parties.

(2) The parties believe that a state-appointed IEP facilitator may assist in avoiding a potential dispute relating to the provision of FAPE or an ARD committee meeting has ended in disagreement regarding the provision of FAPE and the committee has agreed to recess and reconvene the meeting in accordance with §89.1055(o) of this title (relating to Individualized Education Program).

(3) The request for IEP facilitation must be received by TEA at least 10 school days prior to the ARD committee meeting for which a facilitator is being requested or within 10 school days of the ARD committee meeting that ended in disagreement. A state-appointed facilitator must be available on the date set for the meeting.

(4) The same parties must not have participated in IEP facilitation concerning the same student under this section within the same school year of the filing of the current request for IEP facilitation.

(g) Within five business days of receipt of a request for an IEP facilitation under this section, TEA will determine whether the conditions in subsections (d)-(f) of this section have been met and will notify the parties of its determination and the assignment of the independent facilitator, if applicable.

(h) Notwithstanding subsections (c)-(f) of this section, if a special education due process hearing or complaint decision requires a public education agency to provide an independent facilitator to assist with an ARD committee meeting, the public education agency may request that TEA assign an independent facilitator. Within five business days of receipt of a written request for IEP facilitation under this subsection, TEA will notify the parties of its decision to assign or not assign an independent facilitator. If TEA declines the request to assign an independent facilitator, the public education agency must provide an independent facilitator at its own expense.

(i) TEA's decision not to provide an independent facilitator is final and not subject to review or appeal.

(j) The independent facilitator assignment may be made based on a combination of factors, including, but not limited to, geographic location and availability. Once assigned, the independent facilitator must promptly contact the parties to clarify the issues, gather necessary information, and explain the IEP facilitation process.

(k) TEA will use a competitive solicitation method to seek independent facilitation services, and the contracts with independent facilitators will be developed and managed in accordance with TEA's contracting practices and procedures.

(l) At a minimum, an individual who serves as an independent facilitator under this section:

(1) must have demonstrated knowledge of federal and state requirements relating to the provision of special education and related services to students with disabilities;

(2) must have demonstrated knowledge of and experience with the ARD committee meeting process;

(3) must have completed 18 hours or more of training in IEP facilitation, consensus building, and/or conflict resolution as specified in TEA's competitive solicitation;

(4) must complete continuing education as determined by TEA;

(5) may not be an employee of TEA or the public education agency that the student attends; and

(6) may not have a personal or professional interest that conflicts with his or her impartiality.

(m) An individual is not an employee of TEA solely because the individual is paid by TEA to serve as an independent facilitator.

(n) An independent facilitator must not be a member of the student's ARD committee, must not have any decision-making authority, and must remain impartial to the topics under discussion. The independent facilitator must assist with the overall organization and conduct of the ARD committee meeting by:

(1) assisting the committee in establishing an agenda and setting the time allotted for the meeting;

(2) assisting the committee in establishing a set of guidelines for the meeting;

(3) guiding the discussion and keeping the focus on developing a mutually agreed upon IEP for the student;

(4) ensuring that each committee member has an opportunity to participate;

(5) helping to resolve disagreements that arise; and

(6) helping to keep the ARD committee on task so that the meeting purposes can be accomplished within the time allotted for the meeting.

(o) An independent facilitator must protect the confidentiality of personally identifiable information about the student and comply with the requirements in the Family Educational Rights and Privacy Act regulations, 34 CFR, Part 99, relating to the disclosure and redisclosure of personally identifiable information from a student's education record.

(p) TEA will develop surveys to evaluate the IEP facilitation program and the independent facilitators and will request that parties who participate in the program complete the surveys.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

TRD-202602244

Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Effective date: June 18, 2026
Proposal publication date: January 23, 2026
For further information, please call: (512) 475-1497

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CHAPTER 109. BUDGETING, ACCOUNTING, AND AUDITING

The State Board of Education (SBOE) adopts the repeal of §109.25 and amendments to §109.51 and §109.52, concerning budgeting, accounting, and auditing. The repeal and amendments are adopted without changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1246) and will not be republished. The adopted revisions repeal §109.25, whose statutory authority, Texas Education Code (TEC), §48.104(j-1), (k), (l), (m), (n), and (o), was removed by House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025. The revisions also align language in Subchapter D with TEC, §45.208, which no longer requires depository contracts to be submitted to the Texas Education Agency (TEA).

REASONED JUSTIFICATION: Section 109.25 requires each school district and charter school to report financial information relating to the expenditure of the state compensatory education allotment under the Foundation School Program to TEA. HB 2, 89th Texas Legislature, Regular Session, 2025, repealed the SBOE's authority to direct how the state compensatory education allotment funds are spent and how the funds are reported to TEA. Therefore, the repeal of §109.25 is necessary to implement HB 2.

Section 109.52 establishes the requirement that each school district select at least one bank as a depository and enter into a depository contract with the bank, providing the completed contract to TEA. Section 109.52 also establishes the requirement that a district provide a completed surety bond form to TEA if the depository bank uses a surety bond to secure district deposits. The section includes the depository contract form and surety bond form with the content prescribed by the SBOE. Senate Bill 1376, 86th Texas Legislature, 2019, repealed the requirement for districts to submit certain depository information to TEA. Therefore, §109.52 has been amended to remove filing requirements.

Section 109.51 has been amended to make non-substantive changes to align with language in §109.52.

The SBOE approved the revisions for first reading and filing authorization at its January 30, 2026 meeting and for second reading and final adoption at its April 10, 2026 meeting.

In accordance with TEC, §7.102(f), the SBOE approved the revisions for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2026-2027 school year. The earlier effective date will ensure that school districts and charter schools can adopt the revisions as soon as possible. The effective date is 20 days after filing as adopted with the *Texas Register*.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began February 27, 2026, and ended at 5:00 p.m. on March 30, 2026. The SBOE also provided an opportunity for registered oral and written comments

at its April 2026 meeting in accordance with the SBOE board operating policies and procedures. No public comments were received.

SUBCHAPTER B. TEXAS EDUCATION AGENCY AUDIT FUNCTIONS

19 TAC §109.25

STATUTORY AUTHORITY. The repeal is adopted under House Bill 2, Section 7.24, 89th Texas Legislature, Regular Session, 2025, which amended Texas Education Code, §48.104, to repeal the authority of the State Board of Education to direct how the state compensatory education allotments funds are spent and how the expenditures are reported to the Texas Education Agency.

CROSS REFERENCE TO STATUTE. The repeal implements House Bill 2, Section 7.24, 89th Texas Legislature, Regular Session, 2025.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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

TRD-202602162
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Effective date: June 11, 2026
Proposal publication date: February 27, 2026
For further information, please call: (512) 475-1497

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SUBCHAPTER D. UNIFORM BANK BID OR REQUEST FOR PROPOSAL AND DEPOSITORY CONTRACT

19 TAC §109.51, §109.52

STATUTORY AUTHORITY. The amendments are adopted under Texas Education Code, §45.208, which requires that a school district use the depository contract prescribed by the State Board of Education and that the depository bank secure the highest daily amount of cash in the bank using a bond or other surety agreements.

CROSS REFERENCE TO STATUTE. The amendments implement Texas Education Code, §45.208.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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For further information, please call: (512) 475-1497

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SUBCHAPTER C. ADOPTIONS BY REFERENCE

19 TAC §109.41

The State Board of Education (SBOE) adopts an amendment to §109.41, concerning financial accounting guidelines. The amendment is adopted without changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1248) and will not be republished. The amendment adopts by reference the updated *Financial Accountability System Resource Guide* (FASRG), which includes annual updates and removes information related to the compensatory education allotment to align with House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025. Although no changes were made to §109.41 since published as proposed, the FASRG adopted by reference does include changes to Module 1, Module 1 Appendices, and Modules 3 and 5 at adoption.

REASONED JUSTIFICATION: The *FASRG* describes the rules of financial accounting for school districts, charter schools, and education service centers and is adopted by reference under §109.41. In addition, revisions to the FASRG align the content with current governmental accounting and auditing standards, remove obsolete requirements, and remove descriptions and discussions of best practices and other non-mandatory elements.

Requirements for financial accounting and reporting are derived from generally accepted accounting principles (GAAP). School districts and charter schools are required to adhere to GAAP. Legal and contractual considerations typical of the government environment are reflected in the fund structure basis of accounting.

An important function of governmental accounting systems is to enable administrators to assure and report on compliance with finance-related legal provisions. This assurance and reporting means that the accounting system and its terminology, fund structure, and procedures must be adapted to satisfy finance-related legal requirements. However, the basic financial statements of school districts and charter schools should be prepared in conformity with GAAP.

School district and governmental charter school accounting systems shall use the accounting code structure presented in the Account Code Structure section of Module 1 of the FASRG and nonprofit charter school accounting systems shall use the accounting code structure presented in the Accounting Code Structure section of Module 2 of the FASRG. Funds shall be classified and identified on required financial statements by the same code number and terminology provided in the Account Code section of Module 1 FAR Appendices for school districts and governmental charter schools and Module 3 of the FASRG for nonprofit charter schools.

State law provides authority for both the SBOE and the commissioner of education to adopt rules on financial accounting. To accomplish this, the SBOE and the commissioner each adopt the FASRG by reference under separate rules. The SBOE adopts the FASRG by reference under 19 TAC §109.41, and the commissioner adopts the FASRG by reference under new §109.5001.

The following changes have been made to FASRG Modules 1 through 6.

Module 1, Financial Accounting and Reporting (FAR) and FAR Appendices

Module 1 aligns with current governmental accounting standards. Module 1 includes the following changes. Updates have been made to accounting codes and accounting guidance, including the removal of several program intent codes related to state compensatory education, and previous guidance has been clarified, including additional information on shared services arrangements. School districts and charter schools are required to maintain proper budgeting and financial accounting and reporting systems. In addition, school districts are required to establish principles and policies to ensure uniformity in accounting in conformity with GAAP established by the Governmental Accounting Standards Board (GASB).

Module 1 and Module 1 FAR Appendices were modified at adoption to clarify accounting and tracking of state funds and to align guidance with GASB Statement No. 103, including replacing terminology, accounting, and reporting for special and extraordinary items with unusual and infrequent items.

Module 2, Special Supplement - Charter Schools

Module 2 aligns with current financial accounting reporting standards. Proposed Module 2 includes the following changes. Updates have been made to accounting codes and accounting guidance, and previous guidance has been clarified. The module establishes financial and accounting requirements for Texas public charter schools to ensure uniformity in accounting in conformity with GAAP. The module also includes current guidance that complements the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards* of the United States Government Accountability Office (GAO). These requirements facilitate preparation of financial statements that conform to GAAP established by the Financial Accounting Standards Board (FASB).

Module 3, Special Supplement - Non-profit Charter Schools Chart of Accounts

Module 3 aligns with current financial accounting standards. Module 3 includes the following changes. Updates have been made to accounting codes and accounting guidance, including the removal of several program intent codes related to state compensatory education, and previous guidance has been clarified. Charter schools are required to maintain proper budgeting and financial accounting and reporting systems that are in conformity with Texas Education Data Standards in the Texas Student Data Systems (TSDS) PEIMS. In addition, charter schools are required to establish principles and policies to ensure uniformity in accounting in conformity with GAAP established by the FASB. The module also includes current auditing guidance that complements the AICPA *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards* of the United States GAO. These requirements facilitate preparation of financial statements that conform to GAAP established by the FASB.

Module 3 was modified at adoption to clarify accounting and tracking of state funds and to replace terminology, accounting, and reporting for special and extraordinary items with unusual and infrequent items to align guidance with FASB Accounting Standards Update No. 2015-01.

Module 4, Auditing

Module 4 aligns with current auditing standards. Module 4 includes the following changes. Updates have been made to accounting codes and accounting guidance, and previous guidance has been clarified. The module establishes auditing requirements for Texas public school districts and charter schools and includes current requirements from Texas Education Code (TEC), §44.008, as well as Code of Federal Regulations, Title 2, Part 200, Subpart F, Audit Requirements, that implement the federal Single Audit Act. The module also includes current auditing guidance that complements the AICPA *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards* of the United States GAO. These requirements facilitate preparation of financial statements that conform to GAAP established by the GASB.

Module 5, Purchasing

Module 5 aligns with current purchasing laws and standards. Module 5 includes the following changes. Updates have been made to purchasing guidance that has changed from previous legislation, including an increase in the purchasing threshold from $50,000 to $100,000 for procurement requirements. Purchasing rules that needed additional explanation have been clarified. School districts and charter schools are required to establish procurement policies and procedures that align with their unique operating environment and ensure compliance with relevant statutes and policies.

Module 5 was modified at adoption to further align the threshold for purchasing contracts requirements with TEC, §44.031.

Module 6, Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System

Module 6, which provides information to assist school districts and charter schools with using the state compensatory education allotment, was deleted because HB 2, 89th Texas Legislature, Regular Session, 2025, repealed TEC, §48.104(j-1) and (k)-(o), which set requirements for using the allotment.

The FASRG is posted on the Texas Education Agency website at https://tea.texas.gov/finance-and-grants/financial-accountability/financial-accountability-system-resource-guide.

The SBOE approved the amendment for first reading and filing authorization at its January 30, 2026 meeting and for second reading and final adoption at its April 10, 2026 meeting.

In accordance with TEC, §7.102(f), the SBOE approved the amendment for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2026-2027 school year. The earlier effective date will ensure the provisions of the FASRG align with current governmental accounting and auditing standards for school districts and charter schools as soon as possible. The effective date is 20 days after filing as adopted with the *Texas Register*.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began February 27, 2026, and ended at 5:00 p.m. on March 30, 2026. The SBOE also provided an opportunity for registered oral and written comments at its April 2026 meeting in accordance with the SBOE board operating policies and procedures. No public comments were received.

STATUTORY AUTHORITY. The amendment is adopted under Texas Education Code (TEC), §7.102(c)(32), which requires the State Board of Education (SBOE) to adopt rules concerning school district budgets and audits of school district fiscal ac-

counts as required under TEC, Chapter 44, Subchapter A; TEC, §44.001(a), which requires the commissioner to establish advisory guidelines relating to the fiscal management of a school district; TEC, §44.001(b), which requires the commissioner to report annually to the SBOE the status of school district fiscal management as reflected by the advisory guidelines and by statutory requirements; TEC, §44.007(a), which requires the board of trustees of each school district to adopt and install a standard school fiscal accounting system that conforms with generally accepted accounting principles; TEC, §44.007(b), which requires the accounting system to meet at least the minimum requirements prescribed by the commissioner, subject to review and comment by the state auditor; TEC, §44.007(c), which requires a record to be kept of all revenues realized and of all expenditures made during the fiscal year for which a budget is adopted. A report of the revenues and expenditures for the preceding fiscal year is required to be filed with the agency on or before the date set by the SBOE; TEC, §44.007(d), which requires each district, as part of the report required by TEC, §44.007, to include management, cost accounting, and financial information in a format prescribed by the SBOE in a manner sufficient to enable the board to monitor the funding process and determine educational system costs by district, campus, and program; and TEC, §44.008(b), which requires the independent audit to meet at least the minimum requirements and be in the format prescribed by the SBOE, subject to review and comment by the state auditor. The audit must include an audit of the accuracy of the fiscal information provided by the district through the Public Education Information Management System.

CROSS REFERENCE TO STATUTE. The amendment implements Texas Education Code, §§7.102(c)(32); 44.001(a) and (b); 44.007(a)-(d); and 44.008(b).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on June 1, 2026.

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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For further information, please call: (512) 475-1497

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SUBCHAPTER EE. COMMISSIONER'S RULES CONCERNING FINANCIAL ACCOUNTING GUIDELINES

19 TAC §109.5001

The Texas Education Agency (TEA) adopts an amendment to §109.5001, concerning financial accounting guidelines. The amendment is adopted without changes to the proposed text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1250) and will not be republished. The amendment adopts by reference the *Financial Accountability System Resource Guide* (FASRG), Version 20, which includes annual updates and removes information related to the compensatory education allotment to align with House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025. The FASRG provides accounting rules for school districts, open-enrollment charter schools, and education service centers. Although no changes were made to §109.5001 since published as proposed, the FASRG adopted by reference does include changes to Module 1, Module 1 Appendices, and Modules 3 and 5 at adoption.

REASONED JUSTIFICATION: The FASRG describes the rules of financial accounting for school districts, charter schools, and education service centers and is adopted by reference under §109.5001. Revisions to the FASRG align the content with current governmental accounting and auditing standards, remove obsolete requirements, and remove descriptions and discussions of best practices and other non-mandatory elements.

Requirements for financial accounting and reporting are derived from generally accepted accounting principles (GAAP). School districts and charter schools are required to adhere to GAAP. Legal and contractual considerations typical of the government environment are reflected in the fund structure basis of accounting.

An important function of governmental accounting systems is to enable administrators to assure and report on compliance with finance-related legal provisions. This assurance and reporting process means that the accounting system and its terminology, fund structure, and procedures must be adapted to satisfy finance-related legal requirements. However, the basic financial statements of school districts and charter schools should be prepared in conformity with GAAP.

School district and governmental charter school accounting systems shall use the accounting code structure presented in the Account Code Structure section of Module 1 of the FASRG, and nonprofit charter school accounting systems shall use the accounting code structure presented in the Accounting Code Structure section of Module 2 of the FASRG. Funds shall be classified and identified on required financial statements by the same code number and terminology provided in the Account Code section of Module 1 FAR Appendices for school districts and governmental charter schools and Module 3 of the FASRG for nonprofit charter schools.

The FASRG, Version 20, contains six modules on the following topics: Module 1, Financial Accounting and Reporting (FAR) and FAR Appendices; Module 2, Special Supplement - Charter Schools; Module 3, Special Supplement - Non-profit Charter Schools Chart of Accounts; Module 4, Auditing; Module 5, Purchasing; and Module 6, Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System. The FASRG is posted on the TEA website at https://tea.texas.gov/finance-and-grants/financial-accountability/financial-accountability-system-resource-guide.

State law provides authority for both the State Board of Education (SBOE) and the commissioner of education to adopt rules on financial accounting. To accomplish this, the SBOE and the commissioner each adopt the FASRG by reference under separate rules. The SBOE adopts the FASRG by reference under 19 TAC §109.41, and the commissioner adopts the FASRG by reference under §109.5001.

During the April 2026 SBOE meeting, the SBOE approved §109.41 for second reading and final adoption. At that time, the SBOE approved technical corrections to the FASRG Module 1, Module 1 Appendices, Module 3, and Module 5 since published as proposed. These technical corrections impact the FASRG adopted by reference in §109.5001.

Module 1, Financial Accounting and Reporting (FAR) and FAR Appendices

Module 1 aligns with current governmental accounting standards. Adopted Module 1 includes the following changes. Updates are made to accounting codes and accounting guidance, including the removal of several program intent codes related to state compensatory education, and previous guidance is clarified, including additional information on shared services arrangements. School districts and charter schools are required to maintain proper budgeting and financial accounting and reporting systems. In addition, school districts are required to establish principles and policies to ensure uniformity in accounting in conformity with GAAP established by the Governmental Accounting Standards Board (GASB).

Module 1 and Module 1 FAR Appendices are modified at adoption to clarify accounting and tracking of state funds and to align guidance with GASB Statement No. 103, including replacing terminology, accounting, and reporting for special and extraordinary items with unusual and infrequent items.

Module 2, Special Supplement - Charter Schools

Module 2 aligns with current financial accounting reporting standards. Adopted Module 2 includes the following changes. Updates are made to accounting codes and accounting guidance, and previous guidance is clarified. The adopted module establishes financial and accounting requirements for Texas public charter schools to ensure uniformity in accounting in conformity with GAAP. The adopted module also includes current guidance that complements the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards* of the United States Government Accountability Office (GAO). These requirements facilitate preparation of financial statements that conform to GAAP established by the Financial Accounting Standards Board (FASB).

Module 3, Special Supplement - Non-profit Charter Schools Chart of Accounts

Module 3 aligns with current financial accounting standards. Adopted Module 3 includes the following changes. Updates are made to accounting codes and accounting guidance, including the removal of several program intent codes related to state compensatory education, and previous guidance is clarified. Charter schools are required to maintain proper budgeting and financial accounting and reporting systems that are in conformity with Texas Education Data Standards (TEDS) in the Texas Student Data Systems (TSDS) Public Education Information Management System (PEIMS). In addition, charter schools are required to establish principles and policies to ensure uniformity in accounting in conformity with GAAP established by the FASB. The adopted module also includes current auditing guidance that complements the AICPA *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards* of the United States GAO. These requirements facilitate preparation of financial statements that conform to GAAP established by the FASB.

Module 3 is modified at adoption to clarify accounting and tracking of state funds and to replace terminology, accounting, and reporting for special and extraordinary items with unusual and infrequent items to align guidance with FASB Accounting Standards Update No. 2015-01.

Module 4, Auditing

Module 4 aligns with current auditing standards. Adopted Module 4 includes the following changes. Updates are made to accounting codes and accounting guidance, and previous guidance is clarified. The adopted module establishes auditing requirements for Texas public school districts and charter schools and includes current requirements from TEC, §44.008, as well as Code of Federal Regulations, Title 2, Part 200, Subpart F, Audit Requirements, that implement the federal Single Audit Act. The adopted module also includes current auditing guidance that complements the AICPA *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards* of the United States GAO. These requirements facilitate preparation of financial statements that conform to GAAP established by the GASB.

Module 5, Purchasing

Module 5 aligns with current purchasing laws and standards. Adopted Module 5 includes the following changes. Updates are made to purchasing guidance that has changed from previous legislation, including an increase in the purchasing threshold from $50,000 to $100,000 for procurement requirements. Purchasing rules that needed additional explanation are clarified. School districts and charter schools are required to establish procurement policies and procedures that align with their unique operating environment and ensure compliance with relevant statutes and policies.

Module 5 is modified at adoption to further align the threshold for purchasing contracts requirements with TEC, §44.031.

Module 6, Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System

Module 6, which provides information to assist school districts and charter schools with using the state compensatory education allotment, is deleted because HB 2, 89th Texas Legislature, Regular Session, 2025, repealed TEC, §48.104(j-1) and (k)-(o), which set requirements for using the allotment.

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began February 27, 2026, and ended March 20, 2026. No public comments were received.

STATUTORY AUTHORITY. The amendment is adopted under TEC, §7.055(b)(32), which requires the commissioner of education to perform duties in connection with the public school accountability system as prescribed by TEC, Chapters 39 and 39A; TEC, §44.001(a), which requires the commissioner to establish advisory guidelines relating to the fiscal management of a school district; TEC, §44.001(b), which requires the commissioner to report annually to the SBOE the status of school district fiscal management as reflected by the advisory guidelines and by statutory requirements; TEC, §44.007(a), which requires the board of trustees of each school district to adopt and install a standard school fiscal accounting system that conforms with generally accepted accounting principles; TEC, §44.007(b), which requires the accounting system to meet at least the minimum requirements prescribed by the commissioner, subject to review and comment by the state auditor; TEC, §44.007(c), which requires a record to be kept of all revenues realized and of all expenditures made during the fiscal year for which a budget is adopted. A report of the revenues and expenditures for the preceding fiscal year is required to be filed with the agency on or before the date set by the SBOE; TEC, §44.007(d), which requires each district, as part of the report required by TEC, §44.007, to include management, cost accounting, and financial information

in a format prescribed by the SBOE in a manner sufficient to enable the board to monitor the funding process and determine educational system costs by district, campus, and program; and TEC, §44.008(b), which requires the independent audit to meet at least the minimum requirements and be in the format prescribed by the SBOE, subject to review and comment by the state auditor. The audit must include an audit of the accuracy of the fiscal information provided by the district through the Texas Student Data System Public Education Information Management System.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §§7.055(b)(32); 44.001(a) and (b); 44.007(a)-(d); and 44.008(b).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on June 1, 2026.

TRD-202602253
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Effective date: June 21, 2026
Proposal publication date: February 27, 2026
For further information, please call: (512) 475-1497

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TITLE 22. EXAMINING BOARDS

PART 6. TEXAS BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS

CHAPTER 133. LICENSING FOR ENGINEERS

SUBCHAPTER C. PROFESSIONAL ENGINEER LICENSE APPLICATION REQUIREMENTS

22 TAC §§133.21, 133.23, 133.25, 133.27

The Texas Board of Professional Engineers and Land Surveyors (Board) adopts amendments to 22 Texas Administrative Code, Chapter 133, Subchapter C, regarding professional engineer license application requirements, specifically §133.21 Application for Standard License, §133.23 Applications from Former Standard License Holders, §133.25 Applications from Engineering Educators, and §133.27 Application for Temporary license for Engineers Currently Licensed Outside the United States. The Board adopts the amendments with no changes to the proposed text as published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2477). The rules will not be republished.

Pursuant to §2001.029 of the Texas Government Code, the Board gave all interested persons a reasonable opportunity to provide oral and/or written commentary concerning the adoption of the rules. The public comment period began on April 17, 2026, and ended May 17, 2026. The Board received no comments about these rules and adopts the rules with no changes to the proposals.

The rules are adopted pursuant to Texas Occupations Code §§1001.201 and 1001.202, which authorize the Board to regulate engineering and land surveying and make and enforce all rules and regulations and bylaws consistent with the Act as necessary for the performance of its duties, the governance of its own proceedings, and the regulation of the practices of engineering and land surveying in this state.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

TRD-202602240
Lance Kinney
Executive Director
Texas Board of Professional Engineers and Land Surveyors
Effective date: June 18, 2026
Proposal publication date: April 17, 2026
For further information, please call: (512) 440-3080

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SUBCHAPTER E. EXPERIENCE

22 TAC §133.41, §133.43

The Texas Board of Professional Engineers and Land Surveyors (Board) adopts amendments to 22 Texas Administrative Code, Chapter 133, Subchapter E, regarding experience required for engineering licensure, specifically §133.41 Supplementary Experience Record (to be renamed Experience Report) and §133.43 Experience Evaluation. The Board adopts the amendments with no changes to the proposed text as published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2481). The rules will not be republished.

Pursuant to §2001.029 of the Texas Government Code, the Board gave all interested persons a reasonable opportunity to provide oral and/or written commentary concerning the adoption of the rules. The public comment period began on April 17, 2026, and ended May 17, 2026. The Board received no comments about these rules and adopts the rules with no changes to the proposals.

The rules are adopted pursuant to Texas Occupations Code §§1001.201 and 1001.202, which authorize the Board to regulate engineering and land surveying and make and enforce all rules and regulations and bylaws consistent with the Act as necessary for the performance of its duties, the governance of its own proceedings, and the regulation of the practices of engineering and land surveying in this state.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

TRD-202602241
Lance Kinney
Executive Director
Texas Board of Professional Engineers and Land Surveyors
Effective date: June 18, 2026
Proposal publication date: April 17, 2026
For further information, please call: (512) 440-3080

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SUBCHAPTER F. REFERENCE DOCUMENTATION

22 TAC §133.51, §133.53

The Texas Board of Professional Engineers and Land Surveyors (Board) adopts amendments to 22 Texas Administrative Code, Chapter 133, Subchapter F, regarding reference documentation required for engineering licensure, specifically §133.51 Reference Providers and §133.53 Reference Statements. The Board adopts the amendments with no changes to the proposed text as published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2484). The rules will not be republished.

Pursuant to §2001.029 of the Texas Government Code, the Board gave all interested persons a reasonable opportunity to provide oral and/or written commentary concerning the adoption of the rules. The public comment period began on April 17, 2026, and ended May 17, 2026. The Board received no comments about these rules and adopts the rules with no changes to the proposal.

The rules are adopted pursuant to Texas Occupations Code §§1001.201 and 1001.202, which authorize the Board to regulate engineering and land surveying and make and enforce all rules and regulations and bylaws consistent with the Act as necessary for the performance of its duties, the governance of its own proceedings, and the regulation of the practices of engineering and land surveying in this state.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

TRD-202602242
Lance Kinney
Executive Director
Texas Board of Professional Engineers and Land Surveyors
Effective date: June 18, 2026
Proposal publication date: April 17, 2026
For further information, please call: (512) 440-3080

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CHAPTER 139. ENFORCEMENT
SUBCHAPTER C. ENFORCEMENT PROCEEDINGS

22 TAC §139.37

The Texas Board of Professional Engineers and Land Surveyors (Board) adopts an amendment to 22 Texas Administrative Code, Chapter 139, Subchapter C, regarding enforcement proceedings, specifically §139.37 Sanctions and Penalties - Surveying. The Board adopts the amendment with no changes to the proposed text as published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2486). The rule will not be republished.

Pursuant to §2001.029 of the Texas Government Code, the Board gave all interested persons a reasonable opportunity to provide oral and/or written commentary concerning the adoption of the rule. The public comment period began on April 17, 2026, and ended May 17, 2026. The Board received no comments about this rule and adopts the rule with no changes to the proposal.

The rule is adopted pursuant to Texas Occupations Code §§1001.201 and 1001.202, which authorize the Board to regulate engineering and land surveying and make and enforce all rules and regulations and bylaws consistent with the Act as necessary for the performance of its duties, the governance of its own proceedings, and the regulation of the practices of engineering and land surveying in this state.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

TRD-202602243
Lance Kinney
Executive Director
Texas Board of Professional Engineers and Land Surveyors
Effective date: June 18, 2026
Proposal publication date: April 17, 2026
For further information, please call: (512) 440-3080

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TITLE 25. HEALTH SERVICES

PART 15. COUNCIL ON CARDIOVASCULAR DISEASE AND STROKE

CHAPTER 1051. RULES

25 TAC §1051.1

The Texas Council on Cardiovascular Disease and Stroke (Council) adopts an amendment to §1051.1, concerning Conduct of Meetings.

Section 1051.1 is adopted without changes to the proposed text as published in the January 30, 2026, issue of the *Texas Register* (51 TexReg 519). This rule will not be republished.

BACKGROUND AND JUSTIFICATION

The amendment is necessary to make revisions to the rule identified during the four-year rule review required by Texas Government Code §2001.039. The amendment to the rule specifies voting eligibility, clarifies the role the Texas Department of State Health Services has in providing administrative support to the Council, and updates public participation best practices.

COMMENTS

The 31-day comment period ended March 2, 2026.

During this period, the Council did not receive any comments regarding the proposed amendment.

STATUTORY AUTHORITY

The amendment is authorized by Texas Health and Safety Code §93.012, which provides that the Council will adopt rules for the conduct of its meetings.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602190
Suzanne Hildebrand
Council Chair
Council on Cardiovascular Disease and Stroke
Effective date: June 15, 2026
Proposal publication date: January 30, 2026
For further information, please call: (512) 695-3846

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TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 3. TAX ADMINISTRATION

SUBCHAPTER V. FRANCHISE TAX

34 TAC §3.588

The Comptroller of Public Accounts adopts amendments to §3.588, concerning margin: cost of goods sold, without changes to the proposed text as published in the April 3, 2026, issue of the *Texas Register* (51 TexReg 2237). The rule will not be republished. The comptroller amends the section to implement Senate Bill 263 and Senate Bill 1405, 89th Legislature, 2025; Senate Bill 1243, 88th Legislature, 2023; and House Bill 1195, 87th Legislature, 2021; to address the policy change to conform the franchise tax to the current-year federal income tax provisions; and to add definitions to the provision on costs allowed to movie theaters.

The comptroller also amends the section to add titles to statutory references and makes non-substantive changes to improve readability.

The comptroller received comments from Jennifer Rabb, President, Texas Taxpayers and Research Association (TTARA), and Brandon Newton, Whitley Penn, LLP, concerning subsection (d)(6)(B) allowing a taxable entity to include on its 2026 report a one-time net depreciation adjustment for qualifying assets placed in service prior to its 2025 accounting period. The comptroller will address the comments after discussion of that section.

The comptroller amends subsection (b) to add new paragraph (5) and renumbers subsequent paragraphs accordingly. New paragraph (5) defines the term "Internal Revenue Code" based on the statutory definition in Tax Code, §171.0001(9) (General Definitions). Throughout the section, where the term "Internal Revenue Code" is used, the definition in new paragraph (5) applies.

The comptroller amends subsection (c) to add new paragraphs (2) and (4). Subsequent paragraphs, and any reference to the subsequent paragraphs, are renumbered.

The comptroller adds new paragraph (2) to implement Senate Bill 1243 and Senate Bill 1405 concerning expenses paid with qualifying grant proceeds received for broadband deployment in Texas. Senate Bill 1243 and Senate Bill 1405 enact Tax Code, §171.10132 (Provisions Related to Certain Grants Received for Broadband Deployment in Texas).

The comptroller adds new paragraph (4) to implement House Bill 1195 concerning expenses paid with qualifying loan or grant proceeds received for COVID-19 relief. House Bill 1195 enacts Tax Code, §171.10131 (Provisions Related to Certain Money Received for COVID-19 Relief).

The comptroller amends renumbered paragraph (5) to add the $1 million deduction method of calculating margin that was effective January 1, 2014.

The comptroller amends renumbered paragraph (7) to implement Senate Bill 263, clarifying that the cost of goods sold allowed under this paragraph applies to television or radio broadcasting and providing a definition for television or radio broadcasting. Senate Bill 263 enacts Tax Code, §171.1012(o) (Determination of Cost of Goods Sold).

The comptroller amends renumbered paragraph (10) regarding the cost of goods sold allowed for movie theaters to add two definitions. New subparagraph (A) provides the definition for "movie theater," derived from the membership definition of the National Association of Theatre Owners. New subparagraph (B) provides the definition for "motion picture," taken directly from the Copyright Law of the United States, 17 U.S. Code §101 (Definitions).

The comptroller amends paragraph (d)(6), and adds subparagraphs (A), (B), (C), and (D) regarding the federal tax law used when determining allowable depreciation amounts taken from a federal tax return. The comptroller deletes the reference to Internal Revenue Code, §179 (Election to expense certain depreciable assets) as Chapter 171 does not specifically reference §179. The comptroller adds language to make clear that when a taxable entity elects to expense certain depreciable assets, the amount may be included in cost of goods sold if otherwise qualified under Tax Code, §171.1012(c)(6).

New subparagraph (A) addresses which year's federal tax law is used for 2026 and later franchise tax reports. Beginning with the 2026 franchise tax report, utilize the then-current federal tax law instead of the 2007 Internal Revenue Code, except where the statute and rule specifically reference the Internal Revenue Code. For example, beginning with the 2026 franchise tax report, a taxable entity may include in its cost of goods sold the bonus depreciation claimed on its federal return, to the extent associated with and necessary for the production of the goods. However, recovery claimed under Internal Revenue Code §197 must be determined under the 2007 Internal Revenue Code, as the statutory provision authorizing such recovery specifically references the Internal Revenue Code.

New subparagraph (B) allows a taxable entity, on the 2026 franchise tax report, to also include a one-time net depreciation adjustment for each qualifying asset in its cost of goods sold. Qualifying assets are those placed in service prior to the accounting year begin date on the 2026 report, provided that the assets have not been disposed of prior to this date and are associated with and necessary for the production of the goods.

New subparagraph (C) provides the proper order of application when a one-time net depreciation adjustment is taken with other allowable costs and procedures addressing when said adjustment results in a taxable entity's margin being reduced below zero.

New subparagraph (D) clarifies that for franchise tax reports prior to the 2026 report, the 2007 Internal Revenue Code is used when determining allowable depreciation amounts.

In the comments received, Ms. Rabb expresses concern that a taxable entity will lose the benefit of bonus depreciation for qualifying assets placed in service in its 2025 accounting period.

She elaborates that the comptroller's policy change occurred after the qualifying assets had been purchased and placed in service that year, leaving little time for an entity's business decisions to respond to tax policies. To address the concern, Ms. Rabb requests expanding the one-time net depreciation adjustment to include bonus depreciation for qualifying assets placed in service during the 2025 accounting year, which would allow any unused bonus depreciation associated with such assets to be carried forward until exhausted.

The comptroller declines to make the requested change. The rule adequately addresses what property is allowed to be included in the one-time depreciation adjustment. The one-time net depreciation adjustment is meant to bring an asset's federal basis and Texas COGS basis in line to offset future gains from sales of assets previously placed in service. For assets placed in service in 2025 the asset's federal basis and Texas COGS basis will be the same. Because there is not a carryforward provision in COGS for unused costs, this change would require a legislative change.

Mr. Newton states that the one-time net depreciation adjustment does not make all entities whole and asks that the comptroller consider the amount of franchise tax paid, not just the COGS deduction allowed, over the life of the assets. Mr. Newton gives two examples involving a taxable entity that previously claimed a COGS deduction but uses the 30% deduction on its 2026 report. Lastly Mr. Newton poses that if the apportionment in prior years is higher than the apportionment for the 2026 report, the bonus depreciation disallowed in prior years had a higher tax effect than the proposed one-time net depreciation adjustment. Mr. Newton asks that the agency allow a one-time adjustment to the gain reported on a federal return and included in total revenue on the 2026 report.

The comptroller declines to make any changes regarding these comments. The catch-up is an equity provision related to the historic difference in allowable COGS depreciation deductions for federal tax and Texas franchise tax; it is not a mechanism to make all taxpayers whole. The rule addresses the basis differential under the COGS deduction rather than in total revenue. The requested change would require modification of a different rule. Additionally, the disparities identified by Mr. Newton are a consequence of only having one deduction applicable when calculating margin and are equally true for any other deduction. The comment regarding apportionment is a consequence of apportionment itself and is equally true under the old rule.

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

The amendments implement Tax Code, §§171.1012 (Determination of Cost of Goods Sold), 171.10131 (Provisions Related to Certain Money Received for COVID-19 Relief), and 171.10132 (Provisions Related to Certain Grants Received for Broadband Deployment in Texas).

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on June 1, 2026.

TRD-202602254

Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
Effective date: June 21, 2026
Proposal publication date: April 3, 2026
For further information, please call: (512) 475-2220

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TITLE 37. PUBLIC SAFETY AND CORRECTIONS

PART 9. TEXAS COMMISSION ON JAIL STANDARDS

CHAPTER 259. NEW CONSTRUCTION RULES

SUBCHAPTER B. NEW MAXIMUM SECURITY DESIGN, CONSTRUCTION AND FURNISHING REQUIREMENTS

37 TAC §259.117

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.117 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1586). The rule will not be republished.

The adopted rule adds language to 37 TAC §259.117 that adds the design requirement that adjacent space be provided for immediate medical and mental health screening in jail construction. This requirement only applies to new construction.

The adoption of this rule requires new construction in county jails to provide adjacent space for medical and mental health screening.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602175
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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37 TAC §259.123

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.123 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as

proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1587). The rule will not be republished.

The adopted rule adds language to 37 TAC §259.123 that changes "covered" to "coved" at the suggestion of subject matter experts, and deletes the word "disagreeable" regarding odors also at the suggestion of subject matter experts.

The adoption of this rule corrects a misspelled word.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602176
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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37 TAC §259.141

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.141 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1588). The rule will not be republished.

The adopted rule adds language to 37 Texas Administrative Code §259.141 that changes the dimensional requirements of cells and day rooms to conform with the International Building Code. This change will apply only to new construction.

The adoption of this rule updates the minimum jail standards to reflect current International Building Code.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602177
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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37 TAC §259.151

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.151 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1588). The rule will not be republished.

The adopted rule adds language to 37 TAC §259.151 that removes the specifications for how detention doors outside the security perimeter are constructed.

The adoption of this rule updates the minimum jail standards to reflect current International Building Code.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602178
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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37 TAC §259.153

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.153 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1589). The rule will not be republished.

The adoption of this rule makes this rule more clear.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602179
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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37 TAC §259.168

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.168 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1589). The rule will not be republished.

The adopted rule adds language to 37 Texas Administrative Code §259.168 that updates the outdated term "closed circuit television" to "video monitoring" and adds the requirement to use digital privacy screens to more accurately reflect the currently available technology.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602180
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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SUBCHAPTER C. NEW LOCKUP DESIGN, CONSTRUCTION AND FURNISHING REQUIREMENTS

37 TAC §259.264

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.264 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1590). The rule will not be republished.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602181
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
Effective date: June 15, 2026
Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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SUBCHAPTER D. NEW MEDIUM SECURITY DESIGN, CONSTRUCTION AND FURNISHING REQUIREMENTS

37 TAC §259.358

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.358 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1590). The rule will not be republished.

The adopted rule adds language to 37 Texas Administrative Code §259.358 that updates the outdated term "closed circuit television" to "video monitoring" and adds the requirement to use digital privacy screens to more accurately reflect the currently available technology.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 26, 2026.

TRD-202602182
Ricky Armstrong
Executive Director
Texas Commission on Jail Standards
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Proposal publication date: March 13, 2026
For further information, please call: (512) 850-9668

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SUBCHAPTER E. NEW MINIMUM SECURITY DESIGN, CONSTRUCTION AND FURNISHING REQUIREMENTS

37 TAC §259.454

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.454 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1591). The rule will not be republished.

The adopted rule adds language to 37 TAC §259.454 that updates the outdated term "closed circuit television" to "video mon-

itoring" and adds the requirement to use digital privacy screens to more accurately reflect the currently available technology.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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SUBCHAPTER H. NEW LONG-TERM INCARCERATION DESIGN, CONSTRUCTION AND FURNISHING REQUIREMENTS

37 TAC §259.737

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.737 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1591). The rule will not be republished.

The adoption of this rule updates standards to reflect actual practices and match other areas of standards.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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37 TAC §259.770

The Texas Commission on Jail Standards (TCJS) adopts amendments to §259.770 under Chapter 259 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1592). The rule will not be republished.

The adopted rule adds language to 37 Texas Administrative Code §259.770 that updates the outdated term "closed circuit television" to "video monitoring" and adds the requirement to use digital privacy screens to more accurately reflect the currently available technology.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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For further information, please call: (512) 850-9668

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CHAPTER 269. RECORDS AND PROCEDURES
SUBCHAPTER A. GENERAL

37 TAC §269.3

The Texas Commission on Jail Standards (TCJS) adopts amendments to §269.3 under Chapter 269 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1593). The rule will not be republished.

The adopted rule adds language to 37 TAC §269.3 that requires each Sheriff/operator to develop, submit, and implement a plan that specifies the weapons allowed within the security perimeter of a jail. This change is proposed due to the classification of the TASER 10 as a firearm by the Bureau of Alcohol, Tobacco, and Firearms ruling.

The adoption of this rule updates standards due to a change in the Bureau of Alcohol, Tobacco, and Firearms classification of the TASER 10.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 275. SUPERVISION OF INMATES

37 TAC §275.1

The Texas Commission on Jail Standards (TCJS) adopts amendments to §275.1 under Chapter 275 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1594). The rule will not be republished.

The adopted rule adds language to 37 TAC §275.1 that updates the outdated term "closed circuit television" to "video monitoring" to more accurately reflect the currently available technology.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Ricky Armstrong
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37 TAC §275.7

The Texas Commission on Jail Standards (TCJS) adopts amendments to §275.7 under Chapter 275 Part 9 of Title 37 of the Texas Administrative Code without changes to the text as proposed in the March 13, 2026, issue of the *Texas Register* (51 TexReg 1594). The rule will not be republished.

The adopted rule adds language to 37 TAC §275.7 that updates the outdated term "closed circuit television" to "video monitoring" to more accurately reflect the currently available technology.

The adoption of this rule updates standards to reflect actual practices.

No comments were received during the public comment period.

Statutory authority to adopt this rule comes from Texas Government Code 511.009.

No further article, statute, or code is affected by this adoption.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Ricky Armstrong
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PART 15. TEXAS FORENSIC SCIENCE COMMISSION

CHAPTER 651. DNA, CODIS, FORENSIC ANALYSIS, AND CRIME LABORATORIES SUBCHAPTER C. FORENSIC ANALYST LICENSING PROGRAM

37 TAC §651.7

The Texas Forensic Science Commission (Commission) adopts an amendment to rule 37 Texas Administrative Code §651.7, Disciplines Exempt from Commission Accreditation Requirements by Administrative Rule, to exempt from accreditation requirements, examinations, or tests performed on non-lethal munitions without changes to the text as published in the February 27, 2026, issue of the *Texas Register* (51 TexReg 1279). The rule will not be republished.

Reasoned Justification for Rule Amendment. The adopted amendment exempts from accreditation requirements any forensic analysis performed on non-lethal munitions--devices commonly used by law enforcement to incapacitate or deter without causing permanent injury or death. Under Article 38.35 of the Code of Criminal Procedure, laboratories conducting firearms/toolmarks analysis must be accredited by the Commission. Because non-lethal munitions testing currently falls within this category, accreditation is required. However, no accredited laboratories currently offer this specialized testing, limiting access for both prosecutors and defendants. Though non-lethal munitions testing is uncommon compared to traditional firearm and toolmark comparison, the need for it does arise occasionally in the context of criminal prosecution or defense. Thus, it is in the interest of public safety and the fair administration of justice to exempt this form of testing from the accreditation requirement.

Summary of Comments. The public comment period on the rule proposal began on February 27, 2026, and ended on April 14, 2026. The Commission did not receive any comments.

Statutory Authority. The amendment is made in accordance with the Commission's accreditation authority under Code of Criminal Procedure, Art. 38.01 §4-d(c), which establishes that the Commission may add crime laboratory accreditation exemptions, and the Commission's rulemaking authority under Art. 38.01 §3-a, which directs the Commission to adopt rules necessary to implement Code of Criminal Procedure, Art. 38.01.

Cross reference to statute. The adoption amends rule 37 Texas Administrative Code §651.7.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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TRD-202602226
Leigh Tomlin
Associate General Counsel
Texas Forensic Science Commission
Effective date: June 17, 2026
Proposal publication date: February 27, 2026
For further information, please call: (512) 936-0661

37 TAC §651.219

The Texas Forensic Science Commission (Commission) adopts an amendment to rule 37 Texas Administrative Code §651.219, Code of Professional Responsibility (Code) to clarify the scope of application. The change clarifies that crime laboratory managers at unaccredited law enforcement agencies are not required to comply with the Code sections pertaining to management. The amendment is adopted with changes to the text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1281). The rule will be published.

Reasoned Justification for Rule Amendment. The Commission's Code governs all licensed forensic analysts and forensic technicians, as well as crime laboratory managers employed by accredited laboratories under the Commission's jurisdiction. It does not extend to managers of forensic science service providers (crime laboratories) working within unaccredited law enforcement agencies. Numerous unaccredited entities encourage employees to pursue voluntary forensic analyst licensure by the Commission, contributing to continued improvement of the integrity and reliability of forensic practices in Texas courts. Licensed analysts and technicians are bound by the Code, whereas their unlicensed supervisors in unaccredited settings are not, given the Commission's limited jurisdiction. The adopted rule amendment clarifies this regulatory distinction, informs the forensic community and the Commission's law enforcement partners, and encourages broader participation in the voluntary licensing program.

Summary of Comments. The public comment period on the rule proposal began on February 27, 2026 and ended on April 14, 2026. The Commission did not receive any comments.

Statutory Authority. The amendments are adopted in accordance with the Commission's forensic analyst licensing authority under Code of Criminal Procedure, Article 38.01 §4-a(d)(1), which requires the Commission to establish rules for qualifications for a forensic analyst license, Code of Criminal Procedure, Article 38.01 §3-b, which requires the Commission to adopt a code of professional responsibility to regulate the conduct of persons, laboratories, facilities, and other entities regulated by the Commission, and the Commission's general rulemaking authority under Article 38.01 § 3-a which directs the Commission to adopt rules necessary to implement Code of Criminal Procedure, Art. 38.01.

Cross reference to statute. The adoption amends rule 37 Texas Administrative Code §651.219.

§651.219. Code of Professional Responsibility.

(a) Code of Professional Responsibility for Forensic Analysts, Forensic Technicians, and Crime Laboratory Management Subject to the Jurisdiction of the Texas Forensic Science Commission. The Code of Professional Responsibility ("Code") for forensic analysts, forensic technicians, and crime laboratory management defines a framework for promoting integrity and respect for the scientific process and encouraging transparency in forensic analysis. Forensic analysts, forensic technicians, and crime laboratory management subject to the Commission's jurisdiction are expected to abide by this Code in all forensic science-related professional activities regardless of the geographic location where the activities are performed. Because certain components of the Code are best suited to individual forensic analysts or technicians while others are best suited to crime laboratory management, the Code is divided into two sections.

(b) Each person licensed by the Commission shall:

(1) Accurately represent his/her education, training, experience, and areas of expertise.

(2) Commit to continuous learning in the forensic disciplines and stay abreast of new findings, equipment and techniques to maintain professional competency.

(3) Promote validation and incorporation of new technologies, guarding against the use of non-valid methods in casework and the misapplication of validated methods.

(4) Avoid tampering, adulteration, loss, or unnecessary consumption of evidentiary materials.

(5) Avoid participation in any case where there are personal, financial, employment-related or other conflicts of interest.

(6) Conduct thorough, fair and unbiased examinations, leading to independent, impartial, and objective opinions and conclusions.

(7) Make and retain full, contemporaneous, clear and accurate written records of all examinations and tests conducted and conclusions drawn, in sufficient detail to allow meaningful review and assessment by an independent person competent in the field.

(8) Base conclusions on procedures supported by sufficient data, standards and controls, not on political pressure or other outside influence.

(9) Not offer opinions or conclusions that are outside one's expertise.

(10) Prepare reports in clear terms, distinguishing data from interpretations and opinions, and disclosing any relevant limitations to guard against making invalid inferences or misleading the judge or jury.

(11) Not issue reports or other records, or withhold information from reports for strategic or tactical litigation advantage.

(12) Present accurate and complete data in reports, oral and written presentations and testimony based on good scientific practices and valid methods.

(13) Testify in a manner which is clear, straightforward and objective, and avoid phrasing testimony in an ambiguous, biased or misleading manner.

(14) Retain any record, item or object related to a case, such as work notes, data, and peer or technical review information due to potential evidentiary value and pursuant to the laboratory's retention policy.

(15) Communicate honestly and fully with all parties (investigators, prosecutors, defense attorneys, and other expert witnesses), unless prohibited by law.

(16) Document and notify management or quality assurance personnel of adverse events, such as an unintended mistake or a breach of ethical, legal, scientific standards, or questionable conduct.

(17) Ensure reporting, through proper management channels, to all impacted scientific and legal parties of any adverse event that affects a previously issued report or testimony.

(c) Members of management in crime laboratories that perform forensic analysis for which accreditation is required shall:

(1) Encourage a quality-focused culture that embraces transparency, accountability and continuing education while resisting individual blame or scapegoating.

(2) Provide opportunities for forensic analysts to stay abreast of new scientific findings, technology and techniques while guarding against the use of non-valid methods in casework, the misapplication of validated methods or improper testimony regarding a particular analytical method or result.

(3) Maintain case retention and management policies and systems based on the presumption that there is potential evidentiary value for any information related to a case, including work notes, analytical and validation data, and peer or technical review.

(4) Provide clear communication and reporting systems through which forensic analysts may report to management non-conformities in the quality system and other adverse events, such as an unintended mistake or a breach of ethical, legal, scientific standards, or questionable conduct.

(5) Make timely and full disclosure to the Texas Forensic Science Commission of any non-conformance that may rise to the level of professional negligence or professional misconduct.

(6) Provide copies of all substantive communications with the laboratory's national accrediting body to the Commission.

(7) For any laboratory that performs forensic analysis on behalf of the State of Texas, develop and follow a written forensic disclosure compliance policy for the purpose of ensuring the laboratory's compliance with article 39.14 of the Texas Code of Criminal Procedure.

(8) Ensure the laboratory's forensic disclosure policy provides clear instructions for identifying and disclosing any exculpatory, impeachment, or mitigating document, item, or information in the possession, custody, or control of the laboratory. The policy should explicitly address how to inform potentially affected recipients of any non-conformances or breaches of law or ethical standards that may adversely affect either a current case or a previously issued report or testimony.

(9) Inform all forensic analysts working on behalf of the laboratory that they may report allegations of professional negligence or professional misconduct to the Texas Forensic Science Commission without fear of adverse employment consequences.

(d) Code of Professional Responsibility Applicability to Crime Laboratory Managers at Entities Not Subject to Accreditation Requirements. Crime laboratory managers at entities that perform testing limited to forensic examinations or tests not subject to accreditation as described by Article 38.35(a)(4)(A), (B), (C), or (D), of the Code of Criminal Procedure are not subject to this section.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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Leigh Tomlin
Associate General Counsel
Texas Forensic Science Commission
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For further information, please call: (512) 936-0661

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SUBCHAPTER G. TEXAS FORENSIC ANALYST APPRENTICESHIP PILOT PROGRAM

37 TAC §§651.601 - 651.603

The Texas Forensic Science Commission (Commission) adopts new Subchapter G to establish the Texas Forensic Analyst Apprenticeship Pilot Program (TFAAPP) that includes new rules: (1) §651.601 Purpose; (2) §651.602 Definitions; and (3) §651.603 Accredited Crime Laboratory Eligibility Requirements for the TFAAPP without changes to the text as published in the February 27, 2026 issue of the *Texas Register* (51 TexReg 1283). The rules will not be republished.

Background and Justification. Subchapter G responds to Senate Bill 1620, enacted during the 89th Texas Legislature, which requires the Office of Court Administration (OCA, the agency to which the Commission is administratively attached) to collaborate with the Commission to establish and administer a Texas forensic analyst apprenticeship pilot program focused on increasing the forensic science workforce capacity in the State. Specifically, the bill requires the Commission to adopt eligibility requirements for: (1) individuals who may apply for an apprentice position under the pilot program; and (2) publicly funded accredited crime laboratories that may apply to sponsor an apprentice under the pilot program. The rules proposed herein establish: (1) the TFAAPP program; (2) the components required for an individual to qualify for an apprenticeship; and (3) the components required for a publicly funded accredited crime laboratory to qualify for an award by the Commission to sponsor an apprenticeship position.

Summary of Comments. The public comment period on the rule adoption began on February 27, 2026, and ended April 14, 2026. The Commission did not receive any comments.

Statutory Authority. The Commission adopts new subchapter G under Government Code §§72.201-.203, and the Commission's general rulemaking authority provided in Code of Criminal Procedure, Article 38.01 §3-a.

Cross reference to statute. The adoption affects Government Code §§72.201-.203.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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TRD-202602230

Leigh Tomlin
Associate General Counsel
Texas Forensic Science Commission
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For further information, please call: (512) 936-0661

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TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 15. TEXAS VETERANS COMMISSION

CHAPTER 459. NEW VETERAN-OWNED BUSINESS VERIFICATION LETTERS

40 TAC §459.1

The Texas Veterans Commission adopts a new rule for 40 Texas Administrative Code (TAC) Chapter 459 New Veteran-Owned Business Verification Letters, 40 TAC §459.1, without changes to the proposed text as published on February 27, 2026, issue of the *Texas Register* (51 TexReg 1284), and will not be republished.

The proposed new rule is adopted to outline the process necessary for veterans to request a Veteran Verification Letter. This new rule establishes acceptable documents when applying for a Veteran Verification Letter certifying a veteran's honorable discharge for a new veteran-owned business.

The 30-day public comment period ended on March 30, 2026, and the Commission did not receive any comments regarding the proposed new rule.

The new rule is adopted under Texas Government Code § 434.010, which grants the Commission the authority to establish rules it considers necessary for its administration.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on May 29, 2026.

TRD-202602239
Catherine Baron
General Counsel
Texas Veterans Commission
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For further information, please call: (737) 320-4167

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