TEXAS REGISTER

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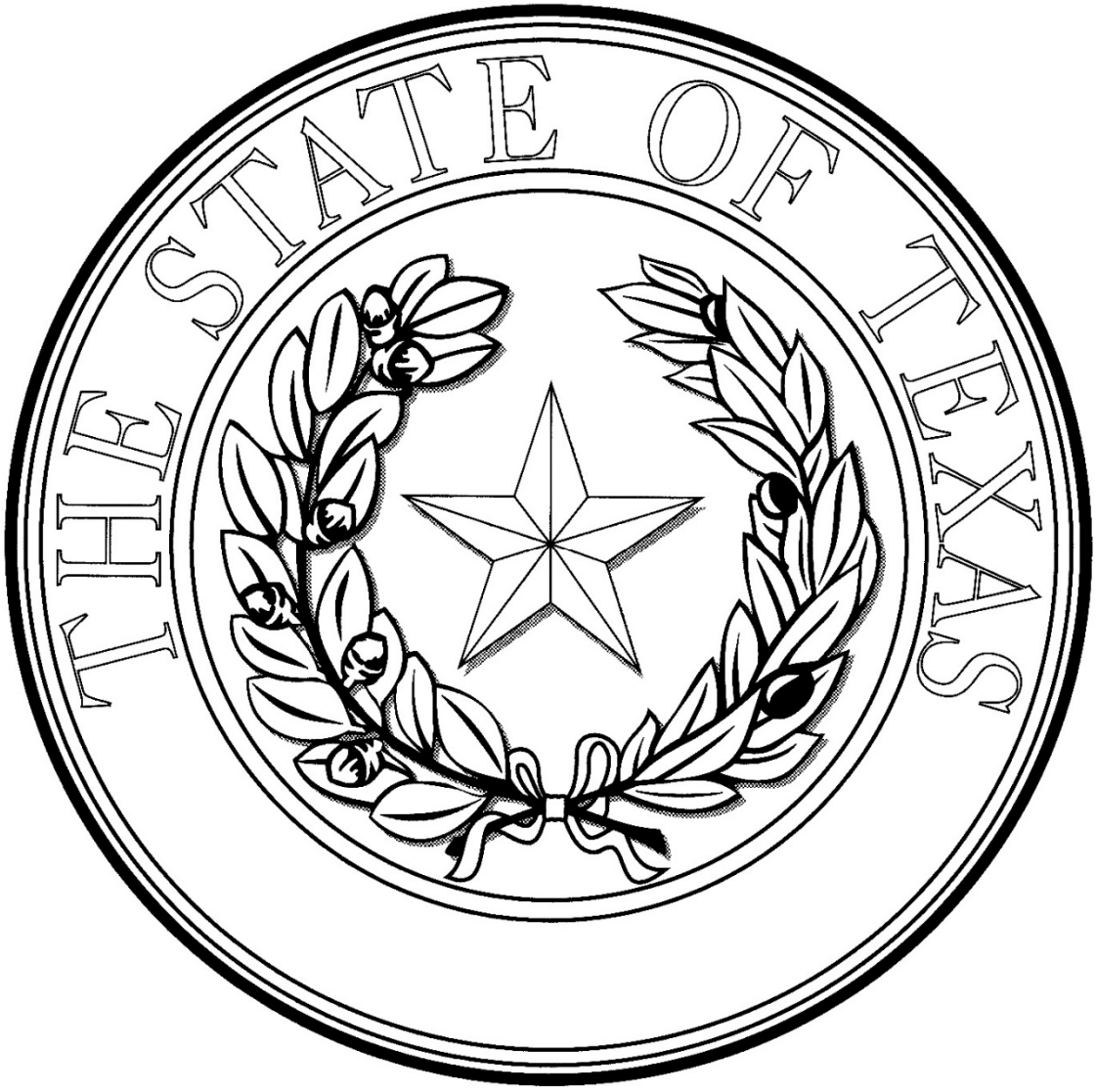



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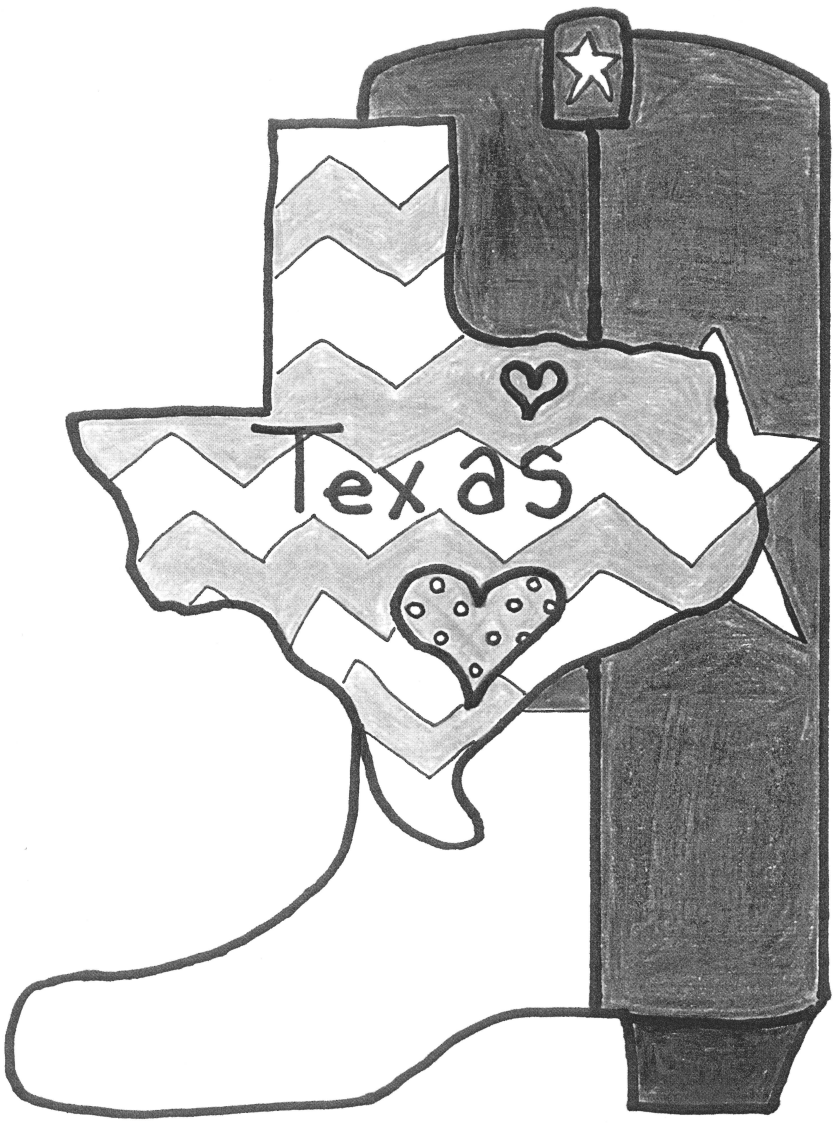

Texas

THE GOVERNOR

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

Proclamation 41-4326

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, issued a disaster proclamation on July 14, 2026, certifying that the severe storms event that began on July 13, 2026, that included heavy rainfall and flash flooding, caused widespread and severe property damage, injury, or loss of life in several counties;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the aforementioned proclamation and declare a disaster in Atascosa, Austin, Bandera, Bastrop, Bexar, Blanco, Brazoria, Brewster, Burnet, Caldwell, Colorado, Comal, Crockett, DeWitt, Dimmit, Edwards, Fayette, Fort Bend, Frio, Galveston, Gillespie, Goliad, Gonzales, Grimes, Guadalupe, Harris, Hays, Jackson, Karnes, Kendall, Kerr, Kimble, Kinney, La Salle, Lavaca, Lee, Live Oak, Llano, Mason, Matagorda, Maverick, McMullen, Medina, Menard, Mitchell, Pecos, Real, Schleicher, Sutton, Terrell, Travis, Uvalde, Val Verde, Victoria, Waller, Washington, Webb, Wharton, Williamson, Wilson, Zapata, and Zavala Counties;

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

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

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 11th day of November, 2026.

Greg Abbott, Governor

TRD-202604828

♦ ♦ ♦

Proclamation 41-4327

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of Texas, issued a disaster proclamation on May 31, 2021, certifying under Section 418.014 of the Texas Government Code that the surge of individuals unlawfully crossing the Texas-Mexico border posed an ongoing and imminent threat of disaster for a number of Texas counties and for all state agencies affected by this disaster; and

WHEREAS, I amended the aforementioned proclamation in a number of subsequent proclamations, including to modify the list of affected counties and therefore declare a state of disaster for those counties and for all state agencies affected by this disaster; and

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

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the aforementioned proclamation and declare a disaster for Aransas, Atascosa, Bee, Brewster, Brooks, Caldwell, Calhoun, Cameron, Chambers, Coleman, Colorado, Crane, Crockett, Culberson, DeWitt, Dimmit, Duval, Edwards, El Paso, Frio, Galveston, Goliad, Gonzales, Hidalgo, Hudspeth, Jackson, Jeff Davis, Jim Hogg, Jim Wells, Karnes, Kenedy, Kerr, Kimble, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Mason, Matagorda, Maverick, McCulloch, McLennan, McMullen, Medina, Menard, Midland, Pecos, Presidio, Real, Refugio, San Jacinto, San Patricio, Schleicher, Shackelford, Starr, Sutton, Terrell, Throckmorton, Upton, Uvalde, Val Verde, Victoria, Webb, Wharton, Wilbarger, Willacy, Wilson, Zapata, and Zavala Counties and for all state agencies affected by this disaster. All orders, directions, suspensions, and authorizations provided in the Proclamation of May 31, 2021, as amended and renewed in subsequent proclamations, are in full force and effect.

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 13th day of November, 2026.

Greg Abbott, Governor

TRD-202604865

♦ ♦ ♦

Proclamation 41-4328

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, issued a disaster proclamation on July 8, 2022, as amended and renewed in a number of subsequent proclamations, certifying that exceptional drought conditions posed a threat of imminent disaster in several counties; and

WHEREAS, the Texas Division of Emergency Management has confirmed that those same drought conditions persist in certain counties in Texas and that the presence of drought conditions in certain counties contributes to increased wildfire danger;

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

Aransas, Armstrong, Atascosa, Bandera, Bastrop, Baylor, Bee, Bell, Bexar, Blanco, Bowie, Brazoria, Brewster, Briscoe, Brooks, Burleson, Burnet, Callahan, Cameron, Camp, Carson, Cass, Chambers, Cherokee, Childress, Collingsworth, Colorado, Comanche, Crosby, Delta, Dickens, Dimmit, Donley, Duval, Eastland, Erath, Falls, Fannin, Fayette, Floyd, Foard, Franklin, Frio, Galveston, Gillespie, Goliad, Grayson, Gregg, Hall, Hardeman, Harrison, Hartley, Haskell, Hays, Hemphill, Hidalgo, Hopkins, Hunt, Jasper, Jim Hogg, Jim Wells, Jones, Karnes, Kaufman, Kendall, Kenedy, Kerr, Kleberg, La Salle, Lamar, Lee, Limestone, Live Oak, Llano, Lubbock, Marion, McLennan, McMullen, Medina, Milam, Moore, Morris, Motley, Navarro, Newton, Nueces, Panola, Rains, Red River, Roberts, Robertson, Runnels, Rusk, Sabine, San Augustine, San Patricio, Shackelford, Shelby, Taylor, Titus, Travis, Tyler, Upshur, Washington, Webb, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wood, and Zavala Counties.

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

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

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 13th day of November, 2026.

Greg Abbott, Governor

TRD-202604866

♦ ♦ ♦

Proclamation 41-4329

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, issued a disaster proclamation on July 4, 2025, as amended and renewed in subsequent proclamations, certifying that the heavy rainfall and flooding event that began on July 2, 2025, and that included heavy rainfall and flash flooding, caused widespread and severe property damage, injury, or loss of life in several counties;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the aforementioned proclamation and declare a disaster in Bandera, Bexar, Burnet, Caldwell, Coke, Comal, Concho, Edwards, Gillespie, Guadalupe, Hamilton, Kendall, Kerr, Kimble, Kinney, Lampasas, Llano, Mason, Maverick, McCulloch, Menard, Real, Reeves, San Saba, Schleicher, Sutton, Tom Green, Travis, Uvalde, and Williamson Counties.

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

Pursuant to Section 418.016 of the Texas Government Code, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. Any statutes that might prevent the transfer of bodies to families as soon as possible are hereby suspended, including Sections 264.514 and 264.515 of the Texas Family Code and Articles 49.04, 49.05, 49.10, and 49.25 of the Texas Code of Criminal Procedure. Further, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster, I hereby authorize the suspension of such statutes and rules for the duration of this declared disaster.

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 13th day of November, 2026.

Greg Abbott, Governor

TRD-202604867

♦ ♦ ♦

THE ATTORNEY GENERAL

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

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

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

Requests for Opinions

RQ-0664-KP

Requestor:

The Honorable Edmund J. Zielinski

Cooke County Attorney

101 South Dixon Street

Gainesville, Texas 76240

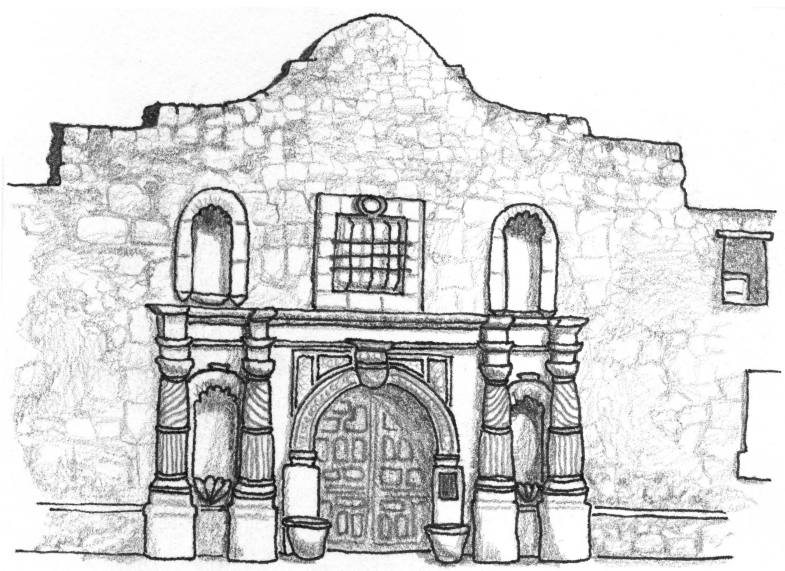
Re: Whether a commissioners court may adopt a policy governing the use of vehicles assigned to elected county officials (RQ-0664-KP)

Briefs requested by December 14, 2026

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

TRD-202604941
Justin Gordon
General Counsel
Office of the Attorney General
Filed: November 17, 2026

♦ ♦ ♦



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

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

TITLE 1. ADMINISTRATION

PART 1. OFFICE OF THE GOVERNOR

CHAPTER 5. GENERAL ADMINISTRATION
SUBCHAPTER B. ADMINISTRATIVE POLICIES

1 TAC §5.102

The Office of the Governor ("OOG") proposes new rule 1 TAC §5.102, Employee Training and Education--Tuition Reimbursement. The purpose of the new rule is to establish eligibility requirements and employee obligations for the reimbursement of training and education expenses under Subchapters C and D, Chapter 656, Texas Government Code.

EXPLANATION OF PROPOSED RULE

Section 656.048, Texas Government Code, requires each state agency to adopt rules relating to the eligibility of its administrators and employees for training and education supported by the agency and the obligations they assume on receiving it, and to adopt a rule requiring that the executive head of the agency authorize a tuition reimbursement payment before an employee is reimbursed under section 656.047(b). Section 656.102 requires an agency to adopt a training policy before spending money on employee training. Proposed §5.102 implements these requirements for the OOG's tuition reimbursement program. Subsection (a) states the purpose of the section. Subsection (b) requires the OOG to adopt and post a training policy. Subsection (c) allows the policy to establish additional eligibility criteria and to explain employee responsibilities and liabilities. Subsection (d) establishes eligibility requirements. Subsection (e) requires the executive head of the OOG to authorize each tuition reimbursement payment. Subsection (f) establishes the obligations an employee assumes on receiving tuition reimbursement, including a six-month service commitment. Subsection (g) implements the service-or-repayment requirement of section 656.103 for training that removes an employee from regular duties for three months or more. Subsection (h) requires employees to follow the policy.

FISCAL NOTE

Suzanne Johnson, Director of Administration, has determined that during each of the first five years in which the proposed new rule will be in effect, there will be no fiscal impact on local governments as a result of enforcing or administering the proposed new rule; the proposed new rule will be administered using existing staffing and processes.

PUBLIC BENEFIT AND COSTS

Ms. Johnson has also determined that during each of the first five years in which the proposed new rule is in effect, the anticipated public benefit will be to provide OOG employees an opportunity to qualify for reimbursement of training and education expenses.

Ms. Johnson has determined there are no anticipated economic costs to persons required to comply with the proposed new rule, because participation is voluntary.

LOCAL EMPLOYMENT IMPACT STATEMENT

Ms. Johnson has determined that the proposed new rule will not affect a local economy. Therefore, a local employment impact statement is not required under section 2001.022, Texas Government Code.

GOVERNMENT GROWTH IMPACT STATEMENT

Ms. Johnson has determined that during each of the first five years in which the proposed new rule is in effect, the rule:

(1) will not create or eliminate a government program;

(2) will not require the creation of new employee positions or the elimination of existing employee positions;

(3) will not require an increase or decrease in future legislative appropriations to the OOG;

(4) will not require an increase or decrease in fees paid to the OOG;

(5) will not create a new regulation;

(6) will not expand an existing regulation;

(7) will not increase or decrease the number of individuals subject to the applicability of the rule; and

(8) will positively affect the Texas economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT

Ms. Johnson has determined that the proposed new rule will not have an adverse economic effect on small businesses, micro-businesses, or rural communities because it applies only to OOG employees. Therefore, an economic impact statement and regulatory flexibility analysis are not required under section 2006.002, Texas Government Code.

TAKINGS IMPACT ASSESSMENT

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

SUBMISSION OF COMMENTS

The OOG requests comments on the proposed new rule from any interested person, and requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. Written comments regarding the proposed new rule may be submitted for 30 days following the date of publication of this notice by mail to Suzanne Johnson, Office of the Governor, Administration Division, P.O. Box 12428, Austin, Texas 78711, or by email to OOGAdministrationRules.Comments@gov.texas.gov with the subject line "Proposed Tuition Reimbursement Rule." The deadline for receipt of comments is 5:00 p.m., Central Time, on December 28, 2026.

STATUTORY AUTHORITY

The new rule is proposed under section 656.048, Texas Government Code, which requires a state agency to adopt rules relating to the eligibility of its administrators and employees for training and education supported by the agency, the obligations they assume on receiving the training and education, and the authorization by the agency's executive head of tuition reimbursement payments. The proposed rule also implements sections 656.044, 656.047, 656.102, and 656.103, Texas Government Code.

CROSS REFERENCE TO STATUTE

The proposed new rule implements Subchapters C and D, Chapter 656, Texas Government Code.

No other statutes, articles, or codes are affected by the proposed new rule.

§5.102. Employee Training and Education--Tuition Reimbursement.

(a) Purpose. The purpose of this section is to establish eligibility requirements and employee obligations for the reimbursement of training and education expenses under Subchapters C and D, Chapter 656, Texas Government Code.

(b) The Office of the Governor (OOG) shall adopt policies related to training and education for OOG employees consistent with this section and Subchapters C and D, Chapter 656, Texas Government Code. The OOG shall adopt the policies before spending money on training for an employee and shall post the policies on the employment section of the OOG's Internet website.

(c) The policies may establish additional eligibility criteria for employee participation in training and education supported by the OOG as well as an explanation of the employees' responsibilities and potential liabilities as participants, consistent with this section.

(d) An OOG employee must meet the following requirements to be eligible for tuition reimbursement:

(1) have been continuously employed by the OOG on a full-time, regular basis for at least one year at the time of application;

(2) have received no disciplinary action, as defined by the policy adopted under subsection (b) of this section, during the year before application;

(3) seek reimbursement for training that relates to the employee's duties following the training; and

(4) receive the written approval of the employee's division director before the training begins.

(e) Before an OOG employee may be reimbursed for tuition, including tuition reimbursed under §656.047(b), Texas Government Code, the executive head of the OOG must authorize the tuition reimbursement payment.

(f) An OOG employee who is approved for tuition reimbursement must:

(1) successfully complete the training and submit proof of completion within the time prescribed by the policy adopted under subsection (b) of this section;

(2) not use OOG duty hours or OOG equipment to attend, study for, or complete the training;

(3) immediately notify the employee's supervisor if the employee withdraws from or ceases to be enrolled in the training;

(4) remain employed by the OOG for six months after the date of reimbursement or, if the employee separates from the OOG before completing that service, repay the OOG the amount of any reimbursement for which the service was not completed, as provided by the policy; and

(5) sign, before the training begins, a written agreement acknowledging the obligations in this subsection.

(g) The OOG may not approve tuition reimbursement for training during which the employee will not perform the employee's regular duties for three months or more unless the employee agrees in writing, before the training begins, to the requirements of §656.103(a), Texas Government Code.

(h) An OOG employee must follow all applicable OOG policies adopted under this section.

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

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Suzanne Johnson
Director of Administration
Office of the Governor
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For further information, please call: (512) 463-2000

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TITLE 13. CULTURAL RESOURCES

PART 1. TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

CHAPTER 2. GENERAL POLICIES AND PROCEDURES

SUBCHAPTER A. PRINCIPLES AND PROCEDURES OF THE COMMISSION

13 TAC §2.51

The Texas State Library and Archives Commission (commission) proposes amendments to 13 Texas Administrative Code, §2.51, concerning Public Record Fees.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas

Regulatory Efficiency Office (TREO). As a result of this review, the commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules. As part of this comprehensive review, the commission evaluated §2.51, Public Record Fees, which establishes the fees charged by the commission for providing copies of public records, including reproductions from the State Archives, and related services.

Various statutes establish what the commission may charge when providing copies of public records. When providing copies of records requested under the Public Information Act (PIA), Government Code, §552.262 provides that state agencies must use the rules adopted by the attorney general in determining charges. Government Code, §603.004 relating to Fees for Certificates or Copies of Documents authorizes the state librarian to collect specified fees for providing certain types of copies. Section 603.004(b) specifically authorizes the state librarian to charge a fee for providing a photographic copy with reference to the amount of labor, supplies, and materials required to provide the copy. The commission adopted §2.51 under this authority to provide clarity on the different types of records the commission holds and of which copies may be requested.

EXPLANATION OF PROPOSED AMENDMENTS. A proposed amendment to §2.51(b)(1) would lower the cost of certification of copies from $5.00 per instrument to $3.00 per instrument, which may include several pages with certification required only once. Another proposed amendment would establish a fee of $1.00 per page for certification if certification is required on each page. This proposed change would effectively lower the cost for certification of instruments of less than five pages if certification is required on each page.

A proposed amendment to §2.51(b)(4) would lower the percentage added to reproduction costs of non-standard materials from the archival collections from 25% of the actual cost to 10% of the actual cost if the actual cost of the reproduction exceeds $500. For reproductions that cost less than $500, the percentage added to account for the amount of labor, supplies, and materials required would remain 25%. This proposed decrease for reproductions that cost more than $500 more accurately represents the cost to the agency to provide the non-standard copy.

Finally, a proposed amendment to §2.51(b)(7) would raise the minimum invoice threshold from $1.00 to $5.00 for requests received from an individual on the same calendar day. If the charges incurred for a service requiring the preparation of invoice are less than $5.00, the commission would waive the fee, as the administrative cost of collection would exceed the charge for the service.

FISCAL IMPACT. Donna Osborne, Chief Fiscal and Operations Officer, has determined that for each of the first five years the proposed amendments are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the rule as proposed.

PUBLIC BENEFIT AND COSTS. Ms. Osborne has determined that for each of the first five years the proposed amendments are in effect, the anticipated public benefit will be a decrease in certain fees charged by the agency. There are no anticipated economic costs to persons required to comply with the proposed amendments.

LOCAL EMPLOYMENT IMPACT STATEMENT. The proposal has no impact on local economies; therefore, no local employment impact statement under Government Code §2001.022 is required.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed amendments will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed amendments do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed amendments will be in effect, the commission has determined that:

1. The amendments will not create or eliminate a government program.

2. Implementation will not require the creation or elimination of any employee positions.

3. Implementation will not require an increase or decrease in future legislative appropriations.

4. The amendments will require a decrease in fees paid to the commission.

5. The amendments will not create new regulations.

6. The amendments will modify existing regulations.

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

8. The amendments will not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal. Therefore, the proposed amendments do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed amendments may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register*.

STATUTORY AUTHORITY. The amendments are proposed under Government Code, §441.006, which directs the commission to govern the state library, and §603.004, which authorizes the commission to charge certain fees for providing copies of public documents.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441; §603.004.

§2.51. Public Record Fees.

(a) The agency will charge the fees established by the Office of the Attorney General in Texas Administrative Code, Title 1, Part 3, Chapter 70 (relating to Cost of Copies of Public Information) and the amounts described in subsection (b) of this section for providing any person the following:

(1) Reproductions of materials from its collections of library and archival materials that are maintained for public reference;

(2) Copies of public records of other agencies stored in the State Records Center; and

(3) Records of the agency.

(b) The agency will maintain a fee schedule outlining the charges for providing information to any individual. In addition to the fees described in subsection (a) of this section and listed on the fee schedule, the agency will charge as follows:

(1) Certification of copies is $3.00 [~~$5.00~~] per instrument, which may include several pages with certification required only once. If certification is requested on each page, the cost is $1.00 per page [~~$5 per instrument if the instrument consists of 5 pages or less or $1 per page if the instrument consists of more than 5 pages~~].

(2) If a customer requests items printed from digital information resources, the items will be billed at the page rate for paper copies.

(3) If a customer requests printing of large format materials held in the Texas State Archives, the charge will be assessed at an established rate available on the agency fee schedule.

(4) The charge for duplication of non-standard materials from the archival collections is the actual commercial reproduction cost plus 25% of that cost for reproductions that cost $500 or less. For reproductions that cost more than $500, the charge is the actual commercial reproduction cost plus 10% of that cost.

(5) If any materials must first be digitized prior to duplication, an additional fee to cover the cost of digitization, available on the agency fee schedule, will be charged.

(6) A customer will be billed for any third-party access or use charges, if applicable.

(7) The minimum charge for any service requiring preparation of an invoice, other than certification of copies under paragraph (1) of this subsection, is $5.00 [~~$1.00~~]. All requests received in one calendar day from an individual may be treated as a single request for purposes of calculating costs under this section.

(c) The agency will not provide copies of or access to the records of other entities housed in the State Records Center without written permission of the entity.

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

Filed with the Office of the Secretary of State on November 13, 2026.

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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For further information, please call: (512) 463-5460

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CHAPTER 6. STATE RECORDS
SUBCHAPTER A. RECORDS RETENTION SCHEDULING

13 TAC §6.1

The Texas State Library and Archives Commission (commission) proposes amendments to 13 Texas Administrative Code §6.1, concerning Definitions.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). The commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules within 13 TAC Chapter 6, Subchapter A, Records Retention Scheduling, Subchapter B, Microfilming Standards for State Agencies, and Subchapter C, Standards and Procedures for Management of Electronic Records. The commission also identified additional opportunities to improve and update existing rules while conducting its own review after collaborating with TREO. To implement the identified updates and improvements, the commission now proposes the following amendment.

EXPLANATION OF PROPOSED AMENDMENTS AND NEW RULE. A proposed amendment to §6.1, Definitions, amends four definitions, specifically, "State agency," "Records management officer," "State record," and "Vital state record" to align directly with the statutory definitions in Government Code, §441.180 and promote consistency of definitions between the subchapters.

Overall, the commission believes the proposed amendments will reduce unnecessary burdens on state agencies and allow for increased flexibility while still ensuring all state records, including microfilmed and electronic state records, are preserved and maintained in accordance with state records retention requirements.

FISCAL IMPACT. Craig Kelso, State and Local Records Management Division Director, has determined that for each of the first five years the proposed amendments are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the rules as proposed.

PUBLIC BENEFIT AND COSTS. Mr. Kelso has determined that for each of the first five years the proposed amendments are in effect, the anticipated public benefit will be increased clarity, efficiency, and regulatory consistency regarding state records management requirements. There are no anticipated economic costs to persons required to comply with the proposed amendments.

LOCAL EMPLOYMENT IMPACT STATEMENT. The proposal has no impact on local economies; therefore, no local employment impact statement under Government Code §2001.022 is required.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed amendments will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed amendments do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed amendments will be in effect, the commission has determined that:

The proposed rule will not create or eliminate a government program.

Implementation will not require the creation or elimination of any employee positions.

Implementation will not require an increase or decrease in future legislative appropriations.

The proposed rule will not require an increase or decrease in fees paid to the commission.

The proposed rule will create a new regulation, but the new regulation will replace an existing regulation proposed for repeal.

The proposed rule will modify existing regulations.

The proposed rule will not increase the number of individuals subject to the rules' applicability.

The proposed rule will not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal. Therefore, the proposed amendments do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed amendments may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register*.

STATUTORY AUTHORITY. The amendments are proposed under Government Code, §441.199, which authorizes the commission to adopt rules regarding the preservation and management of state records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441, Subchapter L.

§6.1. Definitions.

The following words and terms, when used in these sections, shall have the following meanings, unless the context clearly indicates otherwise. [~~Terms not defined in these sections shall have the meanings defined in Government Code, §441.180.~~]

(1) Agency head--The appointed or elected official who serves by the state constitution, state statute, or action of the governing body of a state agency as the chief executive and administrative officer of a state agency.

(2) Archival state record--Any state record of enduring value that will be preserved on a continuing basis by the commission or another state agency until the state archivist indicates that based on a reappraisal of the record it no longer merits further retention.

(3) Certification--The process, inclusive of recertification, by which a records retention schedule or amendments to a schedule are approved for use by a state agency during a certification period.

(4) Certification period--The period of time during which a records retention schedule, including certified amendments to the schedule, may be used by a state agency in the final disposition of state records without additional authorization from the director and librarian.

(5) Commission--The Texas State Library and Archives Commission.

(6) Component--A division, department, program, or other sub-division of a state agency.

(7) Confidential state record--Any state record to which public access is denied under Government Code, Chapter 552, or other state or federal law.

(8) Decertification--The process by which an approved records retention schedule of a state agency is disapproved because of failure of the state agency to adhere to the requirements of Government Code, Chapter 441, Subchapter L, and these rules adopted under that subchapter.

(9) Director and librarian--The chief executive and administrative officer of the Texas State Library and Archives Commission.

(10) Final disposition--Final processing of state records by either destruction or archival preservation by the commission, by a state agency, or by an alternate archival institution as permitted by Government Code, Chapter 441, Subchapter L.

(11) Records management officer--A records management officer as defined by Government Code, §441.180(8). [~~The agency head or the person appointed by the agency head to act as the state agency's representative in all issues of records management policy, responsibility, and statutory compliance pursuant to Government Code, §441.184.~~]

(12) Records retention schedule--A document prepared in accordance with §6.2 of this title (relating to Submission of Records Retention Schedules for Certification).

(13) Records series--A group of identical or related records that are normally used and/or filed together, and that permit evaluation as a group for retention scheduling purposes.

(14) Retention period--The period of time during which state records must be maintained before final disposition.

(15) State agency--State agency as defined by Government Code §441.180(9). [~~Any department, commission, board, office, or other agency in the executive, legislative, or judicial branch of state government created by the constitution or a statute of this state, including an eleemosynary institution; any university system and its components and any institution of higher education as defined by §61.003, Education Code, except a public junior college, not governed by a uni-~~

versity system board; the Texas Municipal Retirement System and the Texas County and District Retirement System; and any public nonprofit corporation created by the legislature whose responsibilities and authority are not limited to a geographical area less than that of the state.]

(16) State archivist--The person designated by the director and librarian to administer the state archives program under Government Code, §441.181.

(17) State record--State record as defined by Government Code §441.180(11). [Any written, photographic, machine-readable, or other recorded information created or received by or on behalf of a state agency or an elected state official that documents activities in the conduct of state business or use of public resources. The term does not include library or museum material made or acquired and preserved solely for reference or exhibition purposes; an extra copy of recorded information preserved only for reference; a stock of publications or blank forms; or any records, correspondence, notes, memoranda, or other documents, other than a final written agreement described by §2009.054(c), associated with a matter conducted under an alternative dispute resolution procedure in which personnel of a state department or institution, local government, special district, or other political subdivision of the state participated as a party, facilitated as an impartial third party, or facilitated as the administrator of a dispute resolution system or organization.]

(18) State records administrator--The person designated by the director and librarian to administer the state records management program under Government Code, §441.182.

(19) Texas State Records Retention Schedule--Figure 13 TAC §6.10(a) of this title (relating to Texas State Records Retention Schedule).

(20) Texas State University Records Retention Schedule--Figure 13 TAC §6.10(b) of this title (relating to Texas State University Records Retention Schedule).

(21) Vital state record--Vital state record as defined by Government Code §441.180(13). [Any state record necessary to the resumption or continuation of state agency operations in an emergency or disaster; the re-creation of the legal and financial status of the agency; or the protection and fulfillment of obligations to the people of the state.]

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

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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SUBCHAPTER B. MICROFILMING STANDARDS FOR STATE AGENCIES

13 TAC §§6.21, 6.23, 6.24, 6.33

The Texas State Library and Archives Commission (commission) proposes amendments to 13 Texas Administrative Code §6.21, concerning Definitions; §6.23, concerning General; §6.33, concerning Destruction of Microfilmed Records; and new §6.24, concerning Minimum Requirements for all Microfilmed State Records.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). The commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules within 13 TAC Chapter 6, Subchapter A, Records Retention Scheduling, Subchapter B, Microfilming Standards for State Agencies, and Subchapter C, Standards and Procedures for Management of Electronic Records. The commission also identified additional opportunities to improve and update existing rules while conducting its own review after collaborating with TREO. To implement the identified updates and improvements, the commission now proposes the following amendments and new rule. In conjunction with the opportunities to amend and update rule language, the commission also identified several sections within Subchapter B that are appropriate for repeal, either because they are no longer necessary or the language is proposed for consolidation and inclusion in other sections. The proposed repeals are published in this same issue of the *Texas Register*.

EXPLANATION OF PROPOSED AMENDMENTS AND NEW RULE. A proposed amendment to §6.21, Definitions, removes sixteen unnecessary definitions, updates statutory citations for defined terms, and renumbers the remaining definitions. Specifically, the amendment updates definitions for "Agency," "Microfilm," "Microfilm container," "Original microfilm," "Records management officer," "Security copy," "State record," and "Vital record" to align directly with the statutory definitions in Government Code, §441.180, or to simplify existing terminology. Nonessential technical terms and definitions already provided by statute or administrative practice are deleted to streamline the section.

A proposed amendment to §6.23, General, updates and simplifies general requirements governing microfilmed state records. The amendment updates language regarding applicability, changes the restriction on filming multiple record series per roll from mandatory to a recommendation, and updates references to "essential records" to "vital records" to ensure consistent terminology throughout Chapter 6. The amendment also updates statutory references, clarifies agency head and records management officer responsibilities, and removes redundant and obsolete subsections concerning needs assessments, restrictions on unwinding original microfilm, service provider agreements, and historical validation provisions.

Proposed new §6.24, Minimum Requirements for all Microfilmed State Records, establishes clear baseline standards for state agencies maintaining, creating, or storing microfilmed state records. The new section consolidates core operational requirements into a single rule, requiring agencies to ensure microfilmed records remain retrievable, readable, protected from damage, periodically inspected, and supported by sufficient documentation throughout their retention period. Additionally, the new rule requires agencies using third-party service providers or custodians for microfilming, processing, or storage to ensure compliance with applicable legal, disaster recovery, and national microfilming standards and to permit necessary facility inspections. The intent of these proposed amendments

is to provide flexibility for state agencies to determine what methods for creating, maintaining, and storing microfilmed state records works best for their needs and within their individual budgets.

A proposed amendment to §6.33, Destruction of Microfilmed Records, updates statutory references and simplifies the destruction process for microfilmed state records. The amendment clarifies that unspliceable rolls containing multiple record series must be retained until the record series with the longest retention period is eligible for destruction. Redundant and obsolete requirements prescribing specific physical splicing procedures and the insertion of physical destruction notices on spliced film rolls are removed to provide agencies greater operational

Overall, the commission believes the proposed amendments and new section will reduce unnecessary burdens on state agencies and allow for increased flexibility while still ensuring all state records, including microfilmed and electronic state records, are preserved and maintained in accordance with state records retention requirements.

FISCAL IMPACT. Craig Kelso, State and Local Records Management Division Director, has determined that for each of the first five years the proposed amendments and new rule are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the rules as proposed.

PUBLIC BENEFIT AND COSTS. Mr. Kelso has determined that for each of the first five years the proposed amendments and new rule are in effect, the anticipated public benefit will be increased clarity, efficiency, and regulatory consistency regarding state records management requirements. There are no anticipated economic costs to persons required to comply with the proposed amendments.

LOCAL EMPLOYMENT IMPACT STATEMENT. The proposal has no impact on local economies; therefore, no local employment impact statement under Government Code §2001.022 is required.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed amendments and new rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed amendments and new rule do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed amendments and new rule will be in effect, the commission has determined that:

The proposed rules will not create or eliminate a government program.

Implementation will not require the creation or elimination of any employee positions.

Implementation will not require an increase or decrease in future legislative appropriations.

The proposed rules will not require an increase or decrease in fees paid to the commission.

The proposed rules will create a new regulation, but the new regulation will replace an existing regulation proposed for repeal.

The proposed rules will modify existing regulations.

The proposed rules will not increase the number of individuals subject to the rules' applicability.

The proposed rules will not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal. Therefore, the proposed amendments do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed amendments and new rule may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register*.

STATUTORY AUTHORITY. The amendments and new rule are proposed under Government Code, §441.199, which authorizes the commission to adopt rules regarding the preservation and management of state records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441, Subchapter L.

§6.21. Definitions.

The following words and terms, when used in this subchapter [~~these sections~~], have the following meanings, unless the context clearly indicates otherwise. [~~Terms not defined in these sections have the meanings defined in the Government Code, Chapter 441, or technical report AIIM TR2 adopted by reference in §6.22(a) of this title (relating to Adopted National Standards).~~]

(1) State Agency--State agency as defined by Government Code §441.180(9). [~~A state executive, educational, judicial, legislative, or eleemosynary department, institution, board, or commission.~~]

(2) Commission-- The Texas State Library and Archives Commission. [~~Aperture card--A card with a rectangular opening(s) into which 16mm/35mm microfilm frames can be inserted, mounted, or pre-mounted.~~]

[(3) Batch--A quantity of chemicals or film which has been prepared at one time, and which has been identified through labeling or through other means by the manufacturer as a batch or lot.]

[(4) CAD (computer assisted design)--A method of creating microimages by computer-driven laser.]

[(5) Convenience film--Microfilm copies of records created only for convenience of use and considered nonrecords under the Government Code, §441.031(5).]

[(6) Declaration by the camera operator--A target photographed on film following the filmed records that provides identification of beginning and ending records on the film; signature of the camera operator; date the declaration was filmed; and reduction range, if more than one ratio has been used.]

[(7) Diazo--A photographic film containing one or more photosensitive layers composed of diazonium salts in a polymeric material which react with coupler(s) to form an azo dye image after film processing.]

[(8) Duplicate microfilm--A microfilm copy made from the original or master negative. Can be silver, diazo or vesicular film.]

[(9) Essential record--Any state record necessary to resume or continue a state agency's business; to recreate its legal and financial status; and to preserve the rights of the agency, its employees, and its clients.]

(3) [(10)] Microfilm--Roll microfilm, microfiche, computer output microfilm (COM), and all other formats produced by any method of microphotography or other means of miniaturization on film.

(4) [(11)] Microfilm container--Generic term for any enclosure in close or direct contact with film such as a reel, can, bag, folder, sleeve (sheath), jacket, envelope, window mount or mat, slide mount, carton, cartridge, cassette, and aperture card.

[(12) Microfilming--The methods, procedures, and processes used to produce microfilm.]

[(13) Needs assessment--A documented process to determine the feasibility and justification for microfilming records including consideration of the retention period and activity rate of the records, advantages and limitations of alternate records media, protection of essential records, access or retrieval concerns, and cost comparisons.]

(5) [(14)] Original microfilm--Film produced directly from the record (also known as first-generation microfilm and camera film).

(6) [(15)] Records management officer--A records management officer as defined by Government Code, §441.180(8). [administrator--The head of an agency or the person appointed by the head of an agency to act as the agency's representative in all issues of records management policy, responsibility, and statutory compliance pursuant to the Government Code, §441.037.]

[(16) Records custodian--The agency employee who is in charge of an office that creates or receives state records.]

[(17) Records retention schedule--A document prepared in accordance with §6.2 of this title (relating to Submission of Records Retention Schedules for Certification).]

[(18) Records series--A group of identical or related records that are normally used and/or filed together, and that permit evaluation as a group for retention scheduling purposes.]

[(19) Retention period--The period of time during which a state record must be maintained before final disposition.]

(7) [(20)Security copy--Either the original microfilm or a duplicate that is stored offsite for the full retention period of the record.

(8) [(21) State record--State record as defined by Government Code §441.180(11). [Any written, photographic, machine-readable, or other recorded information created or received by a state agency that documents its activities in the conduct of state business or use of public resources. The term does not include library or museum material made or acquired and preserved solely for reference or exhibition purposes, an extra copy of recorded information preserved only for reference, or a stock of publications or blank forms.]

(9) Vital state record--Vital state record as defined by Government Code §441.180(13).

[(22) Step-and-repeat system--A method of microfilming by which images are directly placed on an area of film according to a predetermined format, usually in orderly rows and columns.]

[(23) Title page--A target photographed on film stating that the records are microfilmed in the regular course of business and identifying the name of the agency of origin, if applicable; name of the records administrator or name and title of the current records custodian; name and location of service bureau, if applicable; reduction ratio; records series title; inclusive dates of records and volume numbers or serial numbers needed to clearly identify the records; and restriction or classification, if applicable.]

[(24) Vesicular--Photographic film containing one or more photosensitive layers composed of diazonium salt in a thermoplastic material.]

§6.23. General.

(a) This subchapter applies [These sections] to the microfilming of any state record that is to be maintained solely in microfilm format [and to all microfilm which is created or maintained for the full retention period of the record as a backup or security copy of a state record. These sections do not apply to convenience film].

[(b) Microfilming of records must be in compliance with an approved agency records retention schedule except, if an agency does not have an approved schedule, a microfilming needs assessment must be completed to determine if filming is justified.]

(b) [(c)] For microfilm maintained as roll film, no more than one records series is recommended [permitted] on each roll of microfilm.

(c) [(d)] For vital [essential] records that are microfilmed, there should [must] be a security copy stored offsite.

(d) [(e)] The originals of records or source documents that have been microfilmed may be destroyed prior to the expiration of their retention periods only if the microfilm complies with this subchapter [these sections] and in accordance with [the] Government Code §441.187 [§441.035].

[(f) After the completion of the production tests and inspections required under §6.25 of this title (relating to Microfilm Production Tests and Inspections), original microfilm must not be unwound and used for any purpose except:]

[(1) to produce duplicate copies of the film;]

[(2) to carry out inspections under §6.27 of this title (relating to Inspection of Stored Original Microfilm);]

[(3) to expunge records as required by §6.32 of this title (relating to Expungement); or]

[(4) to destroy records as required by §6.33 of this title (relating to Destruction of Microfilmed Records).]

(e) [~~(g)~~] Microfilm produced for an agency is the property of the agency, and the agency head and the records management officer [~~administrator~~] have the same responsibilities for ensuring the management and preservation of microfilmed records under [~~the~~] Government Code, Title 4, Subtitle D, Subchapter L, as if the records were not microfilmed.

~~[(h) If a service provider is used for the filming, processing, and/or storage of state records, a written agreement must be in place to provide access in compliance with local, state, and federal laws or delivery of the records as needed by the state agency and to allow inspections of the microfilm facilities by the agency head, records administrator, records custodian, or other authorized representative of the governing body of the agency.]~~

~~[(i) All microfilm produced before the effective date of these sections is validated to the extent the microfilm was produced in the manner and according to the standards prescribed by prior law.]~~

§6.24. Minimum Requirements for all Microfilmed State Records.

Agencies creating or storing microfilmed state records must ensure:

(1) The records remain readily retrievable and readable for the full retention period;

(2) The records are protected from damage due to handling, microfilm containers, or adverse storage conditions, and periodically inspect microfilmed records for issues; and

(3) Sufficient documentation is maintained to support the identification, maintenance, and authorized disposition of the records.

(4) Any service provider used for the filming, processing, or storing of the records complies with local, state, federal laws, and applicable national microfilming standards, and allows inspections of the microfilm facilities, as needed by the agency; and

(5) Third-party custodians of vital records protect those records in accordance with applicable business continuity, disaster recovery, and applicable national microfilming standards.

§6.33. Destruction of Microfilmed Records.

(a) Microfilmed records must be destroyed only in accordance with [~~the~~] Government Code§441.187 [~~, §441.035~~].

(b) Microfilmed records scheduled for destruction must be disposed of in a manner that ensures protection for any sensitive or confidential information.

(c) If a roll of microfilm is not severable and contains records from multiple record series with varying retention periods, the roll must be retained for the longest applicable retention period before the roll may be destroyed. [~~Destruction of records on a roll of microfilm containing multiple record series must be done by destroying the whole roll of film at the time the records on the film that have the longest retention period are eligible for destruction or, if filmed prior to the effective date of these standards, by deleting the section of the film containing records eligible for destruction and splicing the film. If the film is spliced, a destruction notice containing the following information must be inserted in place of the deleted records:~~]

~~[(1) the record series title and the inclusive dates of the records;]~~

~~[(2) the signature and printed name of the agency records administrator approving deletion of the records;]~~

~~[(3) the date of the deletion.]~~

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

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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For further information, please call: (512) 463-5460

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13 TAC §§6.22, 6.24 - 6.32, 6.34, 6.35

The Texas State Library and Archives Commission (commission) proposes the repeal of 13 Texas Administrative Code §6.22, concerning Adopted National Standards; §6.24, concerning Microfilm Production Procedures; §6.25, concerning Microfilm Production Tests and Inspections; §6.26, concerning Storage of Original Microfilm; §6.27, concerning Inspection of Stored Original Microfilm; §6.28, concerning Computer Output Microfilm (COM); §6.29, concerning Jacketing; §6.30, concerning Aperture Card/CAD Systems; §6.31, concerning Step-and-Repeat Systems; §6.32, concerning Expungement; §6.34, concerning Documentation and Recordkeeping; and §6.35, concerning Public Access to Information on Microfilm.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). As a result of this review, the commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules. As part of this comprehensive review, the commission evaluated 13 TAC Chapter 6, Subchapter B, Microfilming Standards for State Agencies, and determined that several existing rules contain redundant, overly prescriptive, or obsolete microfilming technical standards and procedures. Repealing these sections reduces administrative burden on state agencies while maintaining necessary recordkeeping protections.

Additionally, in a separate rulemaking in this issue of the *Texas Register*, the commission proposes a new §6.24, concerning Minimum Requirements for all Microfilmed State Records, to consolidate core operational requirements, that might otherwise be repealed in these sections, into a single rule requiring agencies to ensure microfilmed records remain retrievable, readable, and protected from damage throughout their retention period.

EXPLANATION OF PROPOSED REPEALS. The proposed repeal of §6.22, Adopted National Standards, eliminates outdated references to national technical standards that are either obsolete or incorporated into broader baseline requirements in companion rule proposals.

The proposed repeal of §6.24, Microfilm Production Procedures, eliminates overly prescriptive technical production standards and procedural rules that do not reflect modern records management practices. Core operational standards and quality requirements are consolidated into proposed new §6.24, Minimum Requirements for all Microfilmed State Records.

The proposed repeal of §6.25, Microfilm Production Tests and Inspections, removes highly rigid testing and inspection procedures. Agencies will maintain flexibility in meeting record quality standards under general baseline requirements.

The proposed repeal of §6.26, Storage of Original Microfilm, removes prescriptive environmental storage requirements that are

unnecessary to specify in detail in administrative rule. Baseline protection obligations are addressed in proposed new §6.24.

The proposed repeal of §6.27, Inspection of Stored Original Microfilm, eliminates mandatory periodic inspection sampling schedules that create administrative burdens without providing proportional benefit to agency records operations.

The proposed repeal of §6.28, Computer Output Microfilm (COM), removes format-specific production standards that are no longer necessary given advancements in technology and records media.

The proposed repeal of §6.29, Jacketing, removes granular technical specifications for microfiche and jacket formats, streamlining the rules to focus on overall record retrievability and integrity.

The proposed repeal of §6.30, Aperture Card/CAD Systems, eliminates obsolete format-specific provisions for aperture cards and computer-assisted design microimages.

The proposed repeal of §6.31, Step-and-Repeat Systems, removes specialized technical standards for step-and-repeat filming systems.

The proposed repeal of §6.32, Expungement, removes prescriptive physical expungement and filming procedures, allowing agencies to instead rely on statutory authority and general records destruction compliance under Government Code, §441.187.

The proposed repeal of §6.34, Documentation and Recordkeeping, removes redundant documentation provisions that are now streamlined and consolidated into proposed new §6.24.

The proposed repeal of §6.35, Public Access to Information on Microfilm, removes duplicate public access language that is already governed by the Public Information Act, Chapter 552, Texas Government Code.

FISCAL IMPACT. Craig Kelso, State and Local Records Management Division Director, has determined that for each of the first five years the proposed repeals are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the repeals.

PUBLIC BENEFIT AND COSTS. Mr. Kelso has determined that for each of the first five years the proposed repeals are in effect, the anticipated public benefit will be a simplified, updated, and less burdensome regulatory framework for state agency records management. There are no anticipated economic costs to persons required to comply with the proposed repeals.

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

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed repeals will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed repeals do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed repeals will be in effect, the commission has determined that:

The proposed repeal will not create or eliminate a government program;

Implementation of the rule as proposed for repeal will not require the creation of new employee positions or the elimination of existing employee positions;

Implementation of the rule as proposed for repeal will not require an increase or decrease in future legislative appropriations to the commission;

The proposal will not require an increase or decrease in fees paid to the commission;

The proposal will not create new regulations;

The proposal will repeal existing regulations;

The proposal will not increase or decrease the number of individuals subject to the applicability of the rule; and

The proposal will not positively or adversely affect the state economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal, and the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action. Therefore, the proposed repeals do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed repeals or any other interested person, information related to the cost, benefit, or effect of the proposed repeals, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed repeals may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register.*

STATUTORY AUTHORITY. The repeals are proposed under Government Code, §441.199, which authorizes the commission to adopt rules regarding the preservation and management of state records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441, Subchapter L.

§6.22. Adopted National Standards.
§6.24. Microfilm Production Procedures.
§6.25. Microfilm Production Tests and Inspections.
§6.26. Storage of Original Microfilm.

§6.27. Inspection of Stored Original Microfilm.
§6.28. Computer Output Microfilm (COM).
§6.29. Jacketing.
§6.30. Aperture Card/CAD Systems.
§6.31. Step-and-Repeat Systems.
§6.32. Expungement.
§6.34. Documentation and Recordkeeping.
§6.35. Public Access to Information on Microfilm.

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

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SUBCHAPTER C. STANDARDS AND PROCEDURES FOR MANAGEMENT OF ELECTRONIC RECORDS

13 TAC §§6.93 - 6.95

The Texas State Library and Archives Commission (commission) proposes amendments to 13 Texas Administrative Code §6.93, concerning Policies and Procedures; §6.94, concerning Minimum Requirements for all Electronic State Records; and §6.95, concerning Additional Record Requirements for Archival, Permanent, and Vital Electronic State Records.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). The commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules within 13 TAC Chapter 6, Subchapter A, Records Retention Scheduling, Subchapter B, Microfilming Standards for State Agencies, and Subchapter C, Standards and Procedures for Management of Electronic Records. The commission also identified additional opportunities to improve and update existing rules while conducting its own review after collaborating with TREO. To implement the identified updates and improvements, the commission now proposes the following amendments.

EXPLANATION OF PROPOSED AMENDMENTS AND NEW RULE. A proposed amendment to §6.93, Policies and Procedures, simplifies state agency electronic records management policy requirements. The amendment removes specific references to third-party platforms and replaces specific administrative rule citations with broader compliance language.

A proposed amendment to §6.94, Minimum Requirements for all Electronic State Records, streamlines core electronic records requirements for state agencies. The amendment removes redundant language regarding cloud computing and social media, simplifies systems documentation and retrievability requirements, and eliminates detailed provisions regarding metadata maintenance, independent retrievability, and system backups. Additionally, it updates requirements for third-party custodians of vital state records to directly require protection in accordance with business continuity and disaster recovery standards.

A proposed amendment to §6.95, Additional Record Requirements for Archival, Permanent, and Vital Electronic State Records, updates and clarifies requirements for specialized electronic state records. The amendment modifies provisions for third-party custodians holding vital electronic state records to require that they actively protect those records in accordance with business continuity and disaster recovery standards, aligning with the baseline standards established in §6.94. The amendment also updates language to be consistent with other rules in the chapter.

Overall, the commission believes the proposed amendments will reduce unnecessary burdens on state agencies and allow for increased flexibility while still ensuring all state records, including microfilmed and electronic state records, are preserved and maintained in accordance with state records retention requirements.

FISCAL IMPACT. Craig Kelso, State and Local Records Management Division Director, has determined that for each of the first five years the proposed amendments and new rule are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the rules as proposed.

PUBLIC BENEFIT AND COSTS. Mr. Kelso has determined that for each of the first five years the proposed amendments are in effect, the anticipated public benefit will be increased clarity, efficiency, and regulatory consistency regarding state records management requirements. There are no anticipated economic costs to persons required to comply with the proposed amendments.

LOCAL EMPLOYMENT IMPACT STATEMENT. The proposal has no impact on local economies; therefore, no local employment impact statement under Government Code §2001.022 is required.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed amendments will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed amendments do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed amendments and new rule will be in effect, the commission has determined that:

1. The proposed rules will not create or eliminate a government program.

2. Implementation will not require the creation or elimination of any employee positions.

3. Implementation will not require an increase or decrease in future legislative appropriations.

4. The proposed rules will not require an increase or decrease in fees paid to the commission.

5. The proposed rules will create a new regulation, but the new regulation will replace an existing regulation proposed for repeal.

6. The proposed rules will modify existing regulations.

7. The proposed rules will not increase the number of individuals subject to the rules' applicability.

8. The proposed rules will not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal. Therefore, the proposed amendments do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register.*

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed amendments may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register.*

STATUTORY AUTHORITY. The amendments are proposed under Government Code, §441.199, which authorizes the commission to adopt rules regarding the preservation and management of state records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441, Subchapter L.

§6.93. Policies and Procedures.

State agency heads or designees shall approve and institute written policies and procedures that communicate an enterprise-wide approach for electronic state records management practices, and that create accountability and auditability for the execution of these policies and procedures. Refer to Guidelines (§6.96) for recommended electronic records management best practices and standards to satisfy requirements specified under this subchapter.

(1) An agency's policies and procedures required by this section shall include these elements:

(A) Establish a component of the agency's active and continuing records management program to address the management of electronic state records that includes the management of electronic state records created, received, retained, used, transmitted, or disposed of electronically, including those electronic state records in the possession of the state agency, vendors, or other third parties [~~(i.e., telecommunication, social media, etc.)~~];

(B) Integrate the management of electronic state records with other records and information resources management programs of the state agency;

(C) Incorporate electronic state records management objectives, responsibilities, and authorities in pertinent state agency directives;

(D) Address electronic state records management requirements, including retention requirements and final disposition;

(E) Address the use of new technologies adequate to fulfill the agency's duty to identify, manage, retain, and make final disposition of electronic state records;

(F) Ensure transparency by documenting in an open and verifiable manner the processes and activities carried out in the management of electronic state records; and

(G) Require that records management concepts and requirements be included in agency training on information systems and resources. Also, an agency's information resources personnel shall receive training on records management issues as they relate to electronic information systems, electronic mail systems, the operation, care, and handling of information, and the hardware, software, and media used to ensure that:

(i) Information resources personnel understand the records management implications of selecting, purchasing, developing, installing, deploying, modifying, and retiring technology hardware, software, etc.; and

(ii) Decision makers and end users understand their responsibilities to create, protect, and manage electronic state records anywhere.

(2) An agency's policies and procedures shall adhere to applicable state information security standards [~~1 TAC 202 requirements regarding security programs~~]; and

(3) An agency's policies and procedures shall follow privacy requirements for information that must be protected from unauthorized use or disclosure as required by applicable state or federal law (e.g. constitutional, statutory, judicial, and legal agreement requirements).

§6.94. Minimum Requirements for all Electronic State Records.

(a) Each state agency must:

(1) Manage electronic state records according to the state agency's records management program and certified records retention schedule regardless of format, system, or storage location;

(2) Maintain state agency ownership and responsibility for state records regardless of where the record originates or resides[~~, including but not limited to cloud computing services and social media sites~~];

(3) Maintain documentation sufficient to support the management of electronic state records through the records lifecycle, and ensure the authorized final disposition of electronic state records;

[~~(3) Develop and maintain up-to-date documentation about electronic records systems adequate to identify, retain, read, process, or migrate the records and ensure the timely, authorized final disposition of electronic state records;~~]

(4) Ensure that electronic state records remain readily retrievable and readable independently of other records in the information or storage system for the full retention period; [~~as long as they are maintained by the state agency by migration or by maintaining any~~

~~software, hardware, and documentation required to retrieve and read the electronic state records;~~]

[~~(5) Maintain descriptive and technical metadata required for electronic state records to be fully understandable by the appropriate designated community, including metadata necessary to adequately support the authenticity, integrity, reliability, and usability as well as the preservation of a record;~~]

(5) [~~(6)~~] Preserve the authenticity, integrity, reliability, and usability of the records; and

[~~(7) Ensure that electronic state records are readily retrievable and readable independently of other records in the information or storage system;~~]

[~~(8) Ensure that system backups that are required for disaster recovery are not used to satisfy records retention requirements unless indexed for ready retrievability and tested on a regular basis; and~~]

(6) [~~(9)~~] Ensure that [~~Require all~~] third-party custodians of vital state records protect those records in accordance with applicable [~~to provide the state agency with descriptions of their~~] business continuity and [~~and/or~~] disaster recovery standards. [~~plans as regards to the protection of the state agency's vital state records.~~]

(b) Each state agency must comply with applicable state information security standards in the management of electronic records.

[~~(b) Any technological component for electronic state records developed, used, or acquired by a state agency must meet the following requirements:~~]

[~~(1) Support the state agency's ability to meet the minimum requirements in subsection (a) of this section to preserve and make readily retrievable and readable any electronic state record or to extract or migrate the record in as complete a form as possible for its full retention period; and~~]

[~~(2) Provide security to ensure the authenticity of the records in accordance with 1 TAC 202 regarding security programs.~~]

§6.95. Additional Record Requirements for Archival, Permanent, and Vital Electronic State Records.

In addition to the minimum requirements in §6.94, the following requirements apply to electronic state records that are archival for the State Archives, archival for an agency archives, permanent, and vital:

(1) Archival for the State Archives: Archival electronic state records indicated by records series that are marked with "A" (Archival) or "R" (Archival Review) codes in the state agency's certified records retention schedule, must be:

(A) Offered to the commission for review or transferred to the custody of the commission when retention requirements are met, the administrative need of the state agency ends, or earlier as required and in accordance with Texas Government Code §441.186, unless the law requires the records to remain with the state agency. A transfer or review must include the following:

(i) The state agency must contact the commission to coordinate transfer or review of the archival electronic state records;

(ii) Each records series to be transferred must contain, at minimum, the following metadata:

(I) Series title (from records retention schedule);

(II) Inclusive dates covered by the transfer;

(III) Arrangement (folder structure) of the records in the transfer;

(IV) File format(s) represented;

(V) Creating application; and

(VI) Date of last modification;

(iii) Each individual record transferred must include, at minimum, the following metadata:

(I) Title or subject;

(II) Creator (could be a person, office, division, and/or state agency); and

(III) Date of creation;

(iv) Metadata must be embedded in the records or provided in a separate file at the time of transfer;

(v) The state agency must maintain the integrity of the record through use of checksums on each record transferred;

(vi) The state agency must remove any encryption or other Digital Rights Management prior to transfer or provide the commission with method(s) for doing so; and

(vii) The state agency must follow procedures published on the commission's website for transferring or reviewing archival electronic state records.

(B) Identified as archival electronic state records in the custody of the state agency because the commission cannot immediately accept custody of the records in accordance with Texas Government Code §441.186(e) and the state agency must:

(i) Maintain documentation for the operating environment in which the records were created or are being maintained;

(ii) For structured data, also maintain all metadata required to understand the structure of the records;

(iii) Store records in standard formats as identified in procedures published on the commission's website, or else:

(I) If business requirements necessitate use of non-standard formats, the records must be converted to standard formats before transfer to the commission or before going into long-term storage; and

(II) If the records are stored in a proprietary system, the state agency must retain all licenses required to access records;

(iv) Not maintain redacted records as the record copy, but may store redacted records with the record copy; and

(v) Follow the commission procedures published on the commission's website for storing archival electronic state records until transfer to or review by the commission.

(2) Archival for agency archives: For archival electronic state records indicated by records series that are marked with "A" or "I" (Archival) or "R" or "O" (Archival Review) codes in the state agency's certified records retention schedule.

(A) This paragraph applies to:

(i) The small number of agencies which are allowed by statute to maintain a state agency archive instead of transferring their archival state records to the commission. Refer to Government Code Chapter 441 and confirm with the State Archives before implementing a state agency archives; and

(i) Archival electronic state records described in records series marked as "I" (Archival) or "O" (Archival Review)

in a university's certified records retention schedule, which must be transferred to or reviewed by the university's archives.

(B) Each state agency must:

(i) Have policies and procedures to properly identify, maintain, migrate, and preserve archival electronic state records; and

(ii) Adhere to the requirements listed in paragraph (3) of this section and as issued in commission guidelines.

(3) Permanent: Electronic state records with permanent retention periods but that are not archival ("A", "I", "O" or "R") on the state agency's certified records retention schedule:

(A) Must meet the requirements listed in paragraph (1)(B) or (2) of this section, as applicable;

(B) Must be documented and migrated when necessary to ensure that they remain permanently accessible and readable; and

(C) May be indexed and converted to microfilm for permanent retention.

(4) Vital: Vital electronic state records must be included with special provisions in state agency records management policies and procedures and the state agency records management program and the state agency must:

(A) Identify records series containing vital electronic state records on the state agency's certified records retention schedule;

(B) Create written policies for the protection of vital electronic state records in all formats and storage locations;

(C) Create written disaster recovery procedures for accessing vital electronic state records during a disruptive event;

(D) Address vital electronic state records in continuity of operations, business continuity, and/or disaster recovery plans as part of the state agency's overall continuity program, as required in Texas Labor Code §412.054; and

(E) Ensure [~~Require~~] all third-party custodians of vital state records protect those records in accordance with [~~holding records on behalf of the agency to provide the state agency with descriptions of~~] their business continuity and [~~and/or~~] disaster recovery standards [~~plans as regards to the protection of the state agency's vital electronic state records.~~]

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

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Sarah I. Swanson
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Texas State Library and Archives Commission
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For further information, please call: (512) 453-5460

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CHAPTER 7. LOCAL RECORDS

The Texas State Library and Archives Commission (commission) proposes amendments to 13 TAC §7.21, concerning Definitions; §7.23, concerning General; §7.33, concerning Destruction of Microfilmed Records; §7.74, Minimum Requirements for all Electronic Records; §7.77, concerning Minimum Requirements for all Electronic Records Systems; and new §7.24, concerning Minimum Requirements for all Microfilmed Local Government Records.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). The commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules within 13 TAC Chapter 7, Subchapter B, Microfilming Standards for Local Governments, and Subchapter C, Standards and Procedures for Management of Electronic Records. The commission also identified additional opportunities to improve and update existing rules while conducting its own review after collaborating with TREO. To implement the identified updates and improvements, the commission now proposes the following amendments and new rule to update, streamline, and clarify regulatory requirements as a result of that review. In conjunction with the opportunities to amend and update rule language, the commission also identified several sections within Subchapter B and Subchapter C that are appropriate for repeal, either because they are no longer necessary or the language is proposed for consolidation and inclusion in other sections. The proposed repeals are published in this same issue of the *Texas Register*.

EXPLANATION OF PROPOSED AMENDMENTS AND NEW RULE. A proposed amendment to §7.21, Definitions, removes fourteen unnecessary definitions, updates statutory citations for defined terms, and renumbers the remaining definitions. Specifically, the amendment updates definitions for "Essential record," "Local government record," "Microfilm," "Microfilm container," "Original microfilm," "Records management officer," and "Security copy" to align directly with statutory definitions in Local Government Code, §201.003, or to simplify existing terminology. Nonessential technical terms and definitions already provided by statute or administrative practice are deleted to streamline the section.

A proposed amendment to §7.23, General, updates and simplifies general requirements governing microfilmed local government records. The amendment updates language regarding applicability, changes the mandatory requirement for offsite storage of essential record security copies to a recommendation, updates statutory references, clarifies local government and records management officer responsibilities, and removes redundant and obsolete subsections concerning needs assessments, restrictions on unwinding original microfilm, service provider agreements, and historical validation provisions.

Proposed new §7.24, Minimum Requirements for all Microfilmed Local Government Records, establishes clear baseline standards for local governments maintaining, creating, or storing microfilmed local government records. The new section consolidates core operational requirements into a single rule, requiring local governments to ensure microfilmed records remain retrievable, readable, protected from damage, periodically inspected, and supported by sufficient documentation throughout their retention period. Additionally, the new rule requires local governments using third-party service providers or custodians for microfilming, processing, or storage to ensure compliance with applicable legal, disaster recovery, and national microfilming standards and to permit necessary facility inspections. The intent of these proposed amendments is to provide flexibility for state agencies to determine what methods for creating,

maintaining, and storing microfilmed state records works best for their needs and within their individual budgets.

A proposed amendment to §7.33, Destruction of Microfilmed Records, updates statutory references and simplifies the destruction process for microfilmed local government records. The amendment clarifies that unspliceable rolls containing multiple record series with varying retention periods must be retained until the record series with the longest retention period is eligible for destruction. Redundant and obsolete requirements prescribing specific physical splicing procedures and the insertion of physical destruction notices on spliced film rolls are removed to provide local governments greater operational efficiency.

A proposed amendment to §7.74, Minimum Requirements for all Electronic Records, streamlines core electronic records management requirements for local governments. The amendment removes redundant introductory subsection lettering and references to external systems, third-party custodians, and social media platforms. It simplifies systems documentation and retrievability requirements, and eliminates detailed prescriptive provisions regarding metadata maintenance, independent retrievability within database systems, system backup testing, and technology design requirements. Additionally, it updates requirements for third-party custodians of essential records to directly require protection in accordance with applicable business continuity and disaster recovery standards.

A proposed amendment to §7.77, Minimum Requirements for all Electronic Records Systems, simplifies technical documentation and baseline system requirements for local governments maintaining electronic records systems. The amendment replaces detailed, multi-part documentation requirements, such as narrative system descriptions, field-level data characteristics, software/hardware maintenance plans, metadata requirements, and inline disposition instructions, with a streamlined requirement to maintain documentation sufficient to support record management and authorized disposition. It also simplifies retrieval, integrity, format exchange, and disposition requirements for electronic storage media, clarifies that records must remain readable independently for their full retention period, and consolidates language regarding public access and environmental protections.

Overall, the commission believes the proposed amendments and new section will reduce unnecessary burdens on local governments and allow for increased flexibility while still ensuring all local government records, including microfilmed and electronic records, are preserved and maintained in accordance with local government records retention requirements.

FISCAL IMPACT. Craig Kelso, State and Local Records Management Division Director, has determined that for each of the first five years the proposed amendments and new rule are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the rules as proposed.

PUBLIC BENEFIT AND COSTS. Mr. Kelso has determined that for each of the first five years the proposed amendments and new rule are in effect, the anticipated public benefit will be increased clarity, efficiency, and regulatory consistency regarding state records management requirements. There are no anticipated economic costs to persons required to comply with the proposed amendments.

LOCAL EMPLOYMENT IMPACT STATEMENT. The proposal has no impact on local economies; therefore, no local employment impact statement under Government Code §2001.022 is required.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed amendments and new rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed amendments and new rule do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed amendments and new rule will be in effect, the commission has determined that:

1. The proposed rules will not create or eliminate a government program.

2. Implementation will not require the creation or elimination of any employee positions.

3. Implementation will not require an increase or decrease in future legislative appropriations.

4. The proposed rules will not require an increase or decrease in fees paid to the commission.

5. The proposed rules will create a new regulation, but the new regulation will replace an existing regulation proposed for repeal.

6. The proposed rules will modify existing regulations.

7. The proposed rules will not increase the number of individuals subject to the rules' applicability.

8. The proposed rules will not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal. Therefore, the proposed amendments do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed amendments and new rule may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register*.

SUBCHAPTER B. MICROFILMING STANDARDS FOR LOCAL GOVERNMENTS

13 TAC §§7.21, 7.23, 7.24, 7.33

STATUTORY AUTHORITY. The amendments and new rule are proposed under Local Government Code, §204.004, which authorizes the commission to adopt rules establishing standards and procedures for microfilming local government records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Local Government Code, Chapter 204.

§7.21. Definitions.

The following words and terms, when used in these sections, have the following meanings, unless the context clearly indicates otherwise. [~~Terms not defined in these sections have the meanings defined in the Local Government Code, Chapter 201, or technical report AIIM TR2 adopted by reference in §7.22(a) of this title (relating to Adopted National Standards).~~]

[~~(1) Aperture card--A card with a rectangular opening(s) into which 16mm/35mm microfilm frames can be inserted, mounted, or pre-mounted.~~]

[~~(2) Batch--A quantity of chemicals or film which has been prepared at one time, and which has been identified through labeling or through other means by the manufacturer as a batch or lot.~~]

[~~(3) CAD (computer assisted design)--A method of creating microimages by computer-driven laser.~~]

[~~(4) Convenience film--Microfilm copies of records created only for convenience of use and considered nonrecords under the Local Government Code, §201.003(8).~~]

[~~(5) Declaration by the camera operator--A target photographed on film following the filmed records that provides identification of beginning and ending records on the film; signature of the camera operator; date the declaration was filmed; and reduction range, if more than one ratio has been used.~~]

[~~(6) Diazo--A photographic film containing one or more photosensitive layers composed of diazonium salts in a polymeric material which react with coupler(s) to form an azo dye image after film processing.~~]

[~~(7) Duplicate microfilm--A microfilm copy made from the original or master negative. Can be silver, diazo or vesicular film.~~]

(1) [~~(8)~~] Essential record--Essential record as defined by Local Government Code §201.003(5). [~~Any local government record necessary to the resumption or continuation of government operations in an emergency or disaster, to the re-creation of the legal and financial status of the government, or to the protection and fulfillment of obligations to the people of the state.~~]

(2) [~~(9)~~] Local government record--Local government record as defined by Local Government Code §201.003(8). [~~Any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by a local government or any of its officers or employees pursuant to law, including an ordinance, or in the transaction of public business, except for materials excluded under the Local Government Code, Chapter 201.~~]

(3) [~~(10)~~] Microfilm--Roll microfilm, microfiche, computer output microfilm (COM), and all other formats produced by any method of microphotography or other means of miniaturization on film.

(4) [~~(11)~~] Microfilm container--Generic term for any enclosure in close or direct contact with film such as a reel, can, bag, folder, sleeve (sheath), jacket, envelope, window mount or mat, slide mount, carton, cartridge, cassette, and aperture card.

[~~(12) Microfilming--The methods, procedures, and processes used to produce microfilm.~~]

[~~(13) Needs assessment--A documented process to determine the feasibility and justification for microfilming records including consideration of the retention period and activity rate of the records, advantages and limitations of alternate records media, protection of essential records, access or retrieval concerns, and cost comparisons.~~]

(5) [~~(14)~~] Original microfilm--Film produced directly from the record (also known as first-generation microfilm and camera film).

[~~(15) Records custodian--The appointed or elected public officer who by the state constitution, state law, ordinance, or administrative policy is in charge of an office that creates or receives local government records.~~]

(6) [~~(16)~~] Records management officer--Records management officer as defined by Local Government Code §201.003(14). [~~The person identified under the Local Government Code, §203.001 or designated under the Local Government Code, §203.025 as the records management officer.~~]

[~~(17) Records series--A group of identical or related records that are normally used and/or filed together, and that permit evaluation as a group for retention scheduling purposes.~~]

[~~(18) Retention period--The minimum time that a local government record must be retained as established on a records retention schedule adopted under §7.125 of this title (relating to Records Retention Schedules).~~]

(7) [~~(19)~~] Security copy--Either the original microfilm or a duplicate that is stored offsite for the full retention period of the record.

[~~(20) Step-and-repeat system--A method of microfilming by which images are directly placed on an area of film according to a predetermined format, usually in orderly rows and columns.~~]

[~~(21) Title page--A target photographed on film stating that the records are microfilmed in the regular course of business and identifying the name of the government and office of origin, if applicable; name and title of the current records custodian/officer; name and location of service bureau, if applicable; reduction ratio; records series title; inclusive dates of records and volume numbers or serial numbers needed to clearly identify the records; and restriction or classification, if applicable.~~]

[~~(22) Vesicular--Photographic film containing one or more photosensitive layers composed of diazonium salt in a thermoplastic material.~~]

§7.23. General.

(a) This subchapter applies [~~These sections apply~~] to the microfilming of any local government record that is to be maintained solely in microfilm format [~~and to all microfilm which is created or maintained for the full retention period of the record as a backup or security copy of a local government record. These sections do not apply to convenience film~~].

[(b) Microfilming of records must be in compliance with an approved records control schedule except, if a local government does not have an approved schedule, a microfilming needs assessment must be completed to determine if filming is justified.]

(b) [(c)] For microfilm maintained as roll film, no more than one records series is permitted on each roll of microfilm.

(c) [(d)] For essential records that are microfilmed, there should [must] be a security copy stored offsite.

(d) [(e)] The originals of records or source documents that have been microfilmed may be destroyed prior to the expiration of their retention periods only if the microfilm complies with this subchapter [these sections] and in accordance with [the] Local Government Code, §202.001 and §204.007 [§§204.007-204.008].

[(f) After the completion of the production tests and inspections required under §7.25 of this title (relating to Microfilm Production Tests and Inspections), original microfilm must not be unwound and used for any purpose except:]

[(1) to produce duplicate copies of the film;]

[(2) to carry out inspections under §7.27 of this title (relating to Inspection of Stored Original Microfilm);]

[(3) to expunge records as required by §7.32 of this title (relating to Expungement); or]

[(4) to destroy records as required by §7.33 of this title (relating to Destruction of Microfilmed Records).]

(e) [(g)] Microfilm produced for a local government is the property of the local government, and the local government and its records management officer have the same responsibilities for ensuring the management and preservation of microfilmed records under [the] Local Government Code, Title 6, Subtitle C, as if the records were not microfilmed.

[(h) If a service provider is used for the filming, processing, and/or storage of local records, a written agreement must be in place to provide access in compliance with local, state, and federal laws or delivery of the records as needed by the local government and to allow inspections of the microfilm facilities by the records management officer, records custodian, or other authorized representative of the governing body of the local government.]

[(i) All microfilm produced before the effective date of these sections is validated to the extent the microfilm was produced in the manner and according to the standards prescribed by prior law or the provisions of Local Government Code, Chapter 204, and the rules adopted under it.]

§7.24. Minimum Requirements for all Microfilmed Local Government Records.

Local governments maintaining microfilmed local government records must ensure:

(1) The records remain readily retrievable and readable for the full retention period;

(2) The records are protected from damage due to handling, microfilm containers, or adverse storage conditions, and periodically inspect microfilmed records for issues; and

(3) Sufficient documentation is maintained to support the identification, maintenance, and authorized disposition of the records.

(4) Any service provider used for the filming, processing, or storing of the records complies with local, state, federal laws, and applicable national microfilming standards, and allows inspections of the microfilm facilities, as needed by the local government; and

(5) Third-party custodians of essential records protect the records in accordance with applicable business continuity, disaster recovery, and national microfilming standards.

§7.33. Destruction of Microfilmed Records.

(a) Microfilmed records must be destroyed only in accordance with [the] Local Government Code[,] §§202.001-202.003.

(b) Microfilmed records scheduled for destruction must be disposed of in a manner that ensures protection for any sensitive or confidential information.

(c) If a roll of microfilm is not severable and contains records from multiple record series with varying retention periods, the roll must be retained for the longest applicable retention period before the roll may be destroyed. [Destruction of records on a roll of microfilm containing multiple record series must be done by destroying the whole roll of film at the time the records on the film that have the longest retention period are eligible for destruction or, if filmed prior to the effective date of these standards, by deleting the section of the film containing records eligible for destruction and splicing the film. If the film is spliced, a destruction notice containing the following information must be inserted in place of the deleted records:]

[(1) the record series title and the inclusive dates of the records;]

[(2) the signature, printed name, and title of the custodian of the deleted records;]

[(3) the date of the deletion.]

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

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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For further information, please call: (512) 463-5460

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SUBCHAPTER C. STANDARDS AND PROCEDURES FOR MANAGEMENT OF ELECTRONIC RECORDS

13 TAC §7.74, §7.77

STATUTORY AUTHORITY. The amendments are proposed under Local Government Code, §204.004, which authorizes the commission to adopt rules establishing standards and procedures for microfilming local government records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Local Government Code, Chapter 204.

§7.74. Minimum Requirements for all Electronic Records.

[~~(a)~~] Each local government must:

(1) Manage [~~manage~~] electronic records according to the local government's records management program and records retention schedule regardless of format, system, or storage location;

(2) Maintain [~~maintain~~] ownership and responsibility for electronic records regardless of where the record originates or resides[~~, including, but not limited to, external electronic records systems, third-party custodians, and social media platforms~~];

(3) Maintain documentation sufficient to support the management of electronic records through the records lifecycle and ensure the authorized disposition of electronic records; [~~develop and maintain up-to-date documentation about electronic records systems and storage media adequate to identify, retain, read, process, or migrate electronic records and ensure the timely, authorized final disposition of electronic records;~~]

(4) Ensure [~~ensure~~] that electronic records remain readily retrievable and readable, independently of other records in the information or storage system, for the full retention system; [~~for as long as they are maintained by the local government through migration or by maintaining any software, hardware, and documentation required to retrieve and read the electronic records;~~]

[~~(5) maintain descriptive and technical metadata required for electronic records to maintain and retain reliability, including metadata necessary to adequately support the usability, authenticity, or integrity as well as the preservation of a record;~~]

(5) [~~(6)~~] Preserve [~~preserve~~] the authenticity, integrity, reliability, and usability of the records; and

[~~(7) ensure that electronic records are readily retrievable and readable independently of other records in the database management system, electronic records system, or electronic storage media;~~]

[~~(8) ensure that system backups that are required for disaster recovery are not used to satisfy records retention requirements unless indexed to ensure usability and are tested on a regular basis; and~~]

(6) [~~(9)~~] Ensure that [~~require all~~] third-party custodians of essential records protect those records in accordance with applicable [~~to provide the local government with descriptions of their~~] business continuity and [~~and/or~~] disaster recovery standards. [~~plans pertaining to the protection of the local government's essential records.~~]

[~~(b) Any technology for electronic records developed, used, or acquired by a local government must support the local government's ability to meet the minimum requirements in subsection (a) of this section to preserve and make readily retrievable and readable any electronic record or to extract or migrate the record in as complete a form as possible for its full retention period.~~]

§7.77. Minimum Requirements for all Electronic Records Systems.

(a) Local governments must maintain up-to-date technical documentation for each electronic records system that produces, uses, and stores electronic records [~~data files~~]. Documentation must be sufficient to support management of electronic records through the records lifecycle and ensure the authorized disposition of electronic record.[~~:~~]

[~~(1) include a narrative description of the system purpose and functionality;~~]

[~~(2) describe the physical and technical characteristics of the records, including, but not limited to, each field associated with a record; its name, size, starting or relative position; and the form of the data;~~]

[~~(3) outline steps to ensure the electronic records system remains usable for as long as the system is maintained by the local government, including maintaining any software, hardware, and documentation required to retrieve and read the electronic records;~~]

[~~(4) describe the required descriptive and technical metadata the electronic records system must maintain for electronic records to have reliability, including metadata necessary to adequately support the usability, authenticity, integrity, and preservation of a record; and~~]

[~~(5) incorporate instructions for carrying out disposition of records into electronic records systems.~~]

(b) Local governments must ensure electronic records systems using electronic storage media to maintain the record copy, or data used to generate the record copy, allow for:

(1) all authorized users of the system to retrieve desired records, such as an indexing or text search system;

(2) security to ensure integrity of the records;

(3) exchanging records using an established standard format amongst the departments of the local government using different software/operating systems; and

(4) disposition of the records.

(c) An electronic records system must not create an impediment to access to public records.

(d) Local governments must ensure that records created or maintained in electronic records systems remain readily retrievable and readable, independently of other records in the systems, for the full retention period. [~~can be:~~]

[~~(1) identified sufficiently to enable authorized personnel to retrieve, protect, and carry out disposition of the records in the system; and~~]

[~~(2) associated with related records in other formats.~~]

(e) A local government must prohibit smoking, drinking, and eating in areas containing electronic records systems that maintain the record copy.

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

Filed with the Office of the Secretary of State on November 17, 2026.

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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For further information, please call: (512) 463-5460

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SUBCHAPTER B. MICROFILMING STANDARDS FOR LOCAL GOVERNMENTS

13 TAC §§7.22, 7.24 - 7.32, 7.34, 7.35

The Texas State Library and Archives Commission (commission) proposes the repeal of 13 Texas Administrative Code §7.22, concerning Adopted National Standards; §7.24, concerning Microfilm Production Procedures; §7.25, concerning

Microfilm Production Tests and Inspections; §7.26, concerning Storage of Original Microfilm; §7.27, concerning Inspection of Stored Original Microfilm; §7.28, concerning Computer Output Microfilm (COM); §7.29, concerning Jacketing; §7.30, Aperture Card/CAD Systems; §7.31, concerning Step-and-Repeat Systems; §7.32, concerning Expungement; §7.34, concerning Documentation and Recordkeeping; and §7.35, concerning Public Access to Information on Microfilm.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). As a result of this review, the commission, with TREO's assistance, has identified opportunities to simplify, streamline, and clarify many existing rules. As part of this comprehensive review, the commission evaluated 13 TAC Chapter 7, Subchapter B, Microfilming Standards for Local Governments, and determined that several existing rules contain redundant, overly prescriptive, or obsolete microfilming technical standards and procedures. Repealing these sections reduces administrative burden on local governments while maintaining necessary recordkeeping protections.

Additionally, in a separate rulemaking in this issue of the *Texas Register*, the commission proposes a new §7.24, concerning Minimum Requirements for all Microfilmed Local Government Records, to consolidate core operational requirements, that might otherwise be repealed in these sections, into a single rule requiring agencies to ensure microfilmed records remain retrievable, readable, and protected from damage throughout their retention period.

EXPLANATION OF PROPOSED REPEALS. The proposed repeal of §7.22, Adopted National Standards, eliminates outdated references to national technical standards that are either obsolete or incorporated into broader baseline requirements in companion rule proposals.

The proposed repeal of §7.24, Microfilm Production Procedures, eliminates overly prescriptive technical production standards and procedural rules that do not reflect modern records management practices. Core operational standards and quality requirements are consolidated into proposed new §7.24 (Minimum Requirements for all Microfilmed Local Government Records).

The proposed repeal of §7.25, Microfilm Production Tests and Inspections, removes highly rigid testing and inspection procedures. Local governments will maintain flexibility in meeting record quality standards under general baseline requirements.

The proposed repeal of §7.26, Storage of Original Microfilm, removes environmental storage requirements that are unnecessary to specify in detail in administrative rule. Baseline protection obligations are addressed in proposed new §7.24.

The proposed repeal of §7.27, Inspection of Stored Original Microfilm, eliminates mandatory periodic inspection sampling schedules that create administrative burdens without providing proportional benefit to local government records operations.

The proposed repeal of §7.28, Computer Output Microfilm (COM), removes format-specific production standards that are no longer necessary given advancements in technology and records media.

The proposed repeal of §7.29, Jacketing, removes granular technical specifications for microfiche and jacket formats, streamlining the rules to focus on overall record retrievability and integrity.

The proposed repeal of §7.30, Aperture CARD/CAD Systems, eliminates obsolete format-specific provisions for aperture cards and computer-assisted design microimages.

The proposed repeal of §7.31, Step-And-Repeat Systems, removes specialized technical standards for step-and-repeat filming systems.

The proposed repeal of §7.32, Expungement, removes prescriptive physical expungement and filming procedures, relying instead on statutory authority and general local government records destruction compliance.

The proposed repeal of §7.34, Documentation and Recordkeeping, removes redundant documentation provisions that are now streamlined and consolidated into proposed new §7.24.

The proposed repeal of §7.35, Public Access to Information on Microfilm, removes duplicate public access language that is already governed by the Public Information Act, Chapter 552, Texas Government Code, and applicable statutory provisions.

FISCAL IMPACT. Craig Kelso, State and Local Records Management Division Director, has determined that for each of the first five years the proposed repeals are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the repeals.

PUBLIC BENEFIT AND COSTS. Mr. Kelso has determined that for each of the first five years the proposed repeals are in effect, the anticipated public benefit will be a simplified, updated, and less burdensome regulatory framework for state agency records management. There are no anticipated economic costs to persons required to comply with the proposed repeals.

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

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed repeals will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed repeals do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed repeals will be in effect, the commission has determined that:

1. The proposed repeal will not create or eliminate a government program;

2. Implementation of the rule as proposed for repeal will not require the creation of new employee positions or the elimination of existing employee positions;

3. Implementation of the rule as proposed for repeal will not require an increase or decrease in future legislative appropriations to the commission;

4. The proposal will not require an increase or decrease in fees paid to the commission;

5. The proposal will not create new regulations;

6. The proposal will repeal existing regulations;

7. The proposal will not increase or decrease the number of individuals subject to the applicability of the rule; and

The proposal will not positively or adversely affect the state economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal, and the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action. Therefore, the proposed repeals do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the proposed repeals or any other interested person, information related to the cost, benefit, or effect of the proposed repeals, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed repeals may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas, 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register.*

STATUTORY AUTHORITY. The repeals are proposed under Local Government Code, §204.004, which authorizes the commission to adopt rules establishing standards and procedures for microfilming local government records, and Government Code, §441.006, which provides the commission with the general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Local Government Code, Chapter 204.

§7.22. Adopted National Standards.

§7.24. Microfilm Production Procedures.

§7.25. Microfilm Production Tests and Inspections.

§7.26. Storage of Original Microfilm.

§7.27. Inspection of Stored Original Microfilm.

§7.28. Computer Output Microfilm (COM).

§7.29. Jacketing.

§7.30. Aperture Card/CAD Systems.

§7.31. Step-and-Repeat Systems.

§7.32. Expungement.

§7.34. Documentation and Recordkeeping.

§7.35. Public Access to Information on Microfilm.

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

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CHAPTER 10. ARCHIVES AND HISTORICAL RESOURCES

13 TAC §§10.1 - 10.5

The Texas State Library and Archives Commission (commission) proposes amendments to 13 Texas Administrative Code, §10.1, concerning Definitions; §10.2, concerning Public Access to Archival State Records and Other Historical Resources; §10.3, concerning Loan and Exhibition of State Archives; §10.4, concerning Reappraisal and Deaccessioning of Items; and §10.5, concerning Transfer of State Agency Records to the State Archives.

BACKGROUND. The commission recently concluded its review of Chapter 10, Archives and Historical Resources, as required by Government Code, §2001.039, Agency Review of Existing Rules. While the commission found that the reasons for initially adopting the rules continue to exist, the commission did identify opportunities to update and improve the existing rules. Most of the proposed amendments in this rulemaking clarify existing processes related to the access to state archival material and state agency transfers of archival material to the State Archives.

The commission also identified a needed amendment to account for a recent legislative change to the custody and ownership of certain archival state records. House Bill 1397, 89th Legislature, 2025 (Regular Session) charged the State Preservation Board (SPB) with the care, custody, and display of three archival state records - the "victory or death letter" (letter written by Lieutenant Colonel William B. Travis dated February 24, 1836, and signed "Victory or Death"), the Texas Constitution, and the Texas Declaration of Independence. By written agreement, these three documents remain preserved and protected in the State Archives. The commission's administrative rule related to the loan and exhibition of state archives, §10.3, includes specific procedures applicable to certain archival state records, including the victory or death letter, Texas Constitution, and Texas Declaration of Independence, that are of particular historical significance and that require additional care and protection when loaned to other institutions. To ensure the borrowing institution will be able to meet these higher standards, loan requests for these types of items must be submitted with additional lead time and must be approved by the commission itself as opposed to the director and librarian. However, because official care, custody, and display of these records transferred to the SPB, §10.3 must be updated to ensure it aligns with the legislation, which now requires that SPB, as the entity charged with the care, custody, and display of these three items, approve any loan requests.

EXPLANATION OF PROPOSED AMENDMENTS. A proposed amendment to §10.1, Definitions, would add a definition for "archival state record" by reference to the statutory definition in Government Code, §441.180(2) and a definition for "record

copy." The term "record copy" will be used in §10.5 as proposed for amendment and will assist state agencies in identifying the appropriate copy of an archival state record before transferring it to the state archives. Additional amendments to this subsection update the numbering due to the addition of two new definitions.

A proposed amendment to §10.2, Public Access to Archival State Records and Other Historical Resources, would change the reference to the "State Archives Reading Room" to "designated reading room" to provide flexibility for the commission regarding the use of building space should the name or location of a reading room change in the future. Another proposed amendment to this section would add a new paragraph noting that individuals may access digital archival records and historical resources on the agency's website. The official name of the commission's online system for managing, preserving, and providing access to digital archival materials and historical resources is the Texas Digital Archive, accessible through the commission's website at tsl.texas.gov. Additional proposed amendments to this subsection make minor language updates and renumber the remaining paragraphs.

A proposed amendment to §10.3, Loan and Exhibition of State Archives, would remove the specific reference to the Texas Declaration of Independence, the Constitution, and the Travis Letter (referred to in the above-referenced legislation as the victory or death letter) and refer instead to items of particular historical significance as determined by the state archivist, including but not limited to founding documents. Similar language already exists in this paragraph; therefore, this proposed change would not alter any existing authority of the commission. An additional proposed amendment would add language specifying that the state archivist may determine that a lower maximum light level is required for a particular loaned item.

A proposed amendment to §10.4, Reappraisal and Deaccessioning of Items, would change potentially unclear language describing items as "permanently closed . . . by the creating agency" to items that are "confidential by law or otherwise exempted from required public disclosure under the Public Information Act, Chapter 552, Texas Government Code." This change will clarify the paragraph, as all state agencies are familiar with the Public Information Act. Other proposed amendments to this subsection would add language to clarify that subsection (c) only applies to items that require reappraisal. Additional proposed amendments would add a paragraph noting that a prior appraisal decision for a creating agency's record series may be reapplied to items of the agency's same record series with only archives supervisor approval (as opposed to approval by the state archivist) and a paragraph noting that items in existing collections that do not belong to a series requiring archival review or transfer do not require reappraisal before deaccessioning. These amendments will improve the Archives and Information Services (ARIS) division's ability to more efficiently complete their reappraisal and deaccessioning work. Another proposed amendment would modify language in subsection (h) to clarify that the agency will determine an appropriate transfer or disposition method for an item that has been deaccessioned. Finally, additional proposed amendments to this section would correct a punctuation error and renumber the subsections.

A proposed amendment to §10.5, Transfer of State Agency Records to the State Archives, would add a subsection requiring state agencies to transfer their archival state records to the state archives in the format designated as the record copy. The subsection would clarify, however, that if a record is maintained in both hard copy and electronic format, the state agency must transfer the electronic version for preservation. State agencies do not need to transfer archival state records in multiple formats - one copy is sufficient. Further, transferring an electronic copy rather than a hard copy will enable ARIS to ingest the materials into the Texas Digital Archive more efficiently.

FISCAL IMPACT. Jelain Chubb, Director, Archives and Information Services Division, has determined that for each of the first five years the proposed amendments are in effect, there are no foreseeable fiscal implications for state or local governments as a result of enforcing or administering the rule as proposed.

PUBLIC BENEFIT AND COSTS. Ms. Chubb has determined that for each of the first five years the proposed amendments are in effect, the anticipated public benefit will be increased clarity in the commission's rules governing state archives and the processes by which state agencies transfer their materials into the state archives. The public will also benefit from the commission's ability to more efficiently ingest items into the state archives and make those items available for public use. There are no anticipated economic costs to persons required to comply with the proposed amendments.

LOCAL EMPLOYMENT IMPACT STATEMENT. The proposal has no impact on local economies; therefore, no local employment impact statement under Government Code §2001.022 is required.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. The proposed amendments will have no adverse economic effect on small businesses, micro-businesses, or rural communities; therefore, a regulatory flexibility analysis under Government Code §2006.002 is not required.

COST INCREASE TO REGULATED PERSONS. The proposed amendments do not impose or increase a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the commission is not required to take any further action under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Government Code §2001.0221, the commission provides the following government growth impact statement. For each year of the first five years the proposed amendments will be in effect, the commission has determined that:

The amendments will not create or eliminate a government program.

Implementation will not require the creation or elimination of any employee positions.

Implementation will not require an increase or decrease in future legislative appropriations.

The amendments will not require an increase or decrease in fees paid to the commission.

The amendments will not create new regulations.

The amendments will modify existing regulations.

The amendments will not increase the number of individuals subject to the rule's applicability.

The amendments will not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal. Therefore, the proposed

amendments do not constitute a taking under Government Code §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the rules as proposed for amendment or any other interested person, information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis. Requested information may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. Requested information must be received no later than 30 days from the date of publication in the *Texas Register*.

REQUEST FOR PUBLIC COMMENT. Written comments on the proposed amendments may be submitted to Sarah Swanson, General Counsel, Texas State Library and Archives Commission, P.O. Box 12927, Austin, Texas 78711, or via email at rules@tsl.texas.gov. To be considered, a written comment must be received no later than 30 days from the date of publication in the *Texas Register*.

STATUTORY AUTHORITY. The amendments are proposed under Texas Government Code, §441.190, which authorizes the commission to adopt rules establishing standards and procedures for the protection, maintenance, and storage of state records, paying particular attention to the maintenance, storage, and protection of archival and vital state records; §441.193, which authorizes the commission to adopt rules regarding public access to the archival state records and other historical resources in the possession of the commission; and §441.199, which authorizes the commission to adopt rules it determines necessary for cost reduction and efficiency of recordkeeping by state agencies and for the state's management and preservation of records.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441, Subchapter L, Preservation and Management of State Records and Other Historical Resources.

§10.1. Definitions.

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

(1) Accession--means the formal acceptance of an item or collection into the holdings of the State Archives and generally includes a transfer of title.

(2) Agency--means the Texas State Library and Archives Commission as an agency of the state of Texas, including the staff, collections, archives, operations, programs, and property of the Texas State Library and Archives Commission.

(3) Archival state record--means an archival state record as defined in Government Code §441.180(2).

(4) Commission--means the seven-member governing body of the Texas State Library and Archives Commission.

(5) [~~(4)~~] Deaccession--means the permanent removal of an item or collection of items from the holdings of the State Archives.

(6) [~~(5)~~] Disposal--means the final disposition of an item or collection of items from the State Archives which may include transfer to another repository, sale, or destruction of the item or collection.

(7) [~~(6)~~] Item--means archival material, historical item, artifact, or museum piece in the custody of the State Archives, including the Sam Houston Regional Library and Research Center.

(8) [~~(7)~~] Reappraisal--means the review of items that have been previously appraised, which may result in the identification of materials that no longer merit permanent preservation and that are candidates for deaccessioning.

(9) Record copy--means the most complete and final version of a record maintained by a state agency that is treated by that agency as the original or official record. A record copy may be in hard copy or electronic format.

(10) [~~(8)~~] State archives--means the program of the Archives and Information Services Division of the Texas State Library and Archives Commission for the continued preservation of archival state records and historical resources.

§10.2. Public Access to Archival State Records and Other Historical Resources.

(a) Public access to archival state records and other historical resources in the possession of the agency will be granted under the following conditions, subject to subsection (b) of this section and §2.52 of this title (relating to Patron Registration and Customer Service).

(1) Access to archival state records and other historical resources maintained in Austin will be provided in the designated reading room [~~State Archives Reading Room~~] of the Lorenzo de Zavala State Archives and Library Building.

(2) Access to archival state records and other historical resources maintained at the Sam Houston Regional Library and Research Center in Liberty, Texas will be provided in the Center's Reading Room.

(3) Access to publicly available archival records and other historical resources in digital format will be through the agency website.

(4) [~~(3)~~] Registration and presentation of a current government-issued photo identification is required to use original archival state records and other resources.

(5) [~~(4)~~] Researchers aged 17 and older may use certain original archival state records and other resources. Researchers between the ages of 13 and 16 are permitted to use original archival state records and other resources if supervised by a registered patron 17 or older. One registered researcher per researcher between the ages of 13 and 16 is required. Children aged 12 and under are not permitted in the designated reading room [~~to use original archival state records or historical resources~~].

(6) [~~(5)~~] All registered researchers must agree to and comply with the Reading Room Policies and instructions as provided by staff members.

(7) [~~(6)~~] Access will be granted during business hours for each location as posted on the agency's website or as may be amended from time to time by additional notice.

(8) [~~(7)~~] Request for access to archival state records or other historical resources must be submitted on a material request form whether the request is a Research Request or a Public Information Act (PIA) Request.

(b) The agency may restrict access to any original archival state record or other historical resource in its possession and provide only copies if, in the opinion of the state archivist, such access would compromise the continued preservation of the original item. The state archivist will consider the following factors in regard to [~~the consideration of~~] requests for access to original archival state records or other historical resources:

(1) physical condition of the archival state record or historical resource;

(2) availability of a digital or other facsimile copy of the archival state record or historical resource;

(3) the intrinsic or monetary value of the item to the State; and

(4) any other factor that, in the opinion of the state archivist, may compromise the continued preservation of the original item.

§10.3. Loan and Exhibition of State Archives.

(a) Purpose. The purpose of this section is to specify the conditions under which items may be loaned to eligible borrowers for public exhibition. Even if a prospective borrower meets all eligibility requirements for a loan, the decision regarding any and all loans is at the sole discretion of the agency or the commission, as appropriate.

(b) Eligible borrowers. Any public or private cultural heritage or educational institution or organization may request the loan of an item for public exhibition purposes. The Texas State Preservation Board and its exhibit venues will have preference over other archives, museums, and similar public institutions in Texas. Texas archives, museums, and similar public institutions will have preference over out-of-state and private entities. Loans to institutions outside of Texas will generally only be approved for nationally significant exhibitions by major institutions.

(c) Loan Request. Except as provided below and in subsection (e), requests for loans must be submitted to the director and librarian at least 60 days prior to the expected loan receipt date and include the exhibition title, dates of exhibition and loan period, a general description of the exhibition, and complete citations for each item requested. Exceptions to the 60-day requirement are as follows:

(1) Requests for loans of any item by a non-Texas venue must be submitted at least 12 months prior to expected loan receipt date; and

(2) Requests for loans of an item may be approved in less than 60 days if the director and librarian waives the 60-day requirement.

(d) Loan Period. Except as provided in subsection (e), the maximum loan period for any item is six months, unless the agency determines the loan is in the best interest of the state or will provide a benefit to the agency related to public education, outreach, publicity, or promotion of the agency's mission. The director and librarian may recall a loaned item for good cause at any time and will attempt to give reasonable notice thereof.

(e) Special circumstances. Loan requests and loan periods for certain items are subject to additional requirements and conditions as follows:

(1) The maximum loan period for textiles, flags, artworks, photographic materials, documents with faded or vulnerable inks, or any other especially light sensitive or fragile items is three months;

(2) Requests for loan of items of particular historical significance as determined by the state archivist, including but not limited to founding documents, [~~the original signed manuscript and the printed broadside copy of the Texas Declaration of Independence, the Constitution of Texas (including original drafts), treaties of the Republic of Texas, the Travis Letter, and other items of particular historical significance as determined by the state archivist~~] must be submitted at least 12 months prior to expected loan receipt date and require formal approval of the commission in an open meeting, and:

(A) The maximum loan period is 30 days unless the commission determines the exhibition is of special state or national significance; and

(B) Requests may be approved in less than 12 months, but in no event less than six months, if the director and librarian recommends waiver of the 12-month requirement and the commission approves.

(f) Loan Agreement. A borrower must sign a written loan agreement documenting the borrower's commitment to compliance with this section and any additional conditions appropriate for the specific loan. Additional conditions may include, but are not limited to, the following:

(1) Borrower may not display items in a location or exhibition other than that cited on the loan agreement without prior written permission from the director and librarian;

(2) Borrower may not transfer physical custody of loaned items to another institution or third party without prior written permission from the director and librarian;

(3) Borrower may not alter, clean, or repair loaned items, perform any conservation treatment, or remove a document from a housing provided by the agency without prior written permission from the director and librarian; and

(4) Borrower will notify the agency promptly if any agreed upon conditions change during the course of exhibition of the item.

(g) Security and Environmental Conditions.

(1) Items must be displayed in a facility equipped with a networked fire monitoring and alarm system with an automatic aqueous or non-aqueous clean agent fire suppression system and fire protection equipment as described in National Fire Protection Association-Standard for the Protection of Cultural Resources Including Museums, Libraries, Places of Worship, and Historic Properties (NFPA909-2021).

(2) Items on loan must be secure at all times. Professional security guards or other trained personnel must regularly patrol exhibition areas during hours of public access. The borrower must have sufficient 24-hour guards or a 24-hour electronic security system to effectively monitor and protect the exhibition, storage, and preparation areas at all times. The commission may require continuous 24-hour onsite guard by a Licensed Texas Peace Officer, Texas Department of Public Safety officer, licensed Texas security guard, or an equivalent officer or guard within the borrower's jurisdiction if the borrower is located in a state other than Texas.

(3) Temperature and humidity levels must be monitored and controlled. A temperature of 70 degrees Fahrenheit, plus or minus 5 degrees, and a relative humidity of 50% plus or minus 5% without rapid fluctuations must be maintained in the storage, preparation, and exhibition areas. Before approving a loan and while items are on loan, the director and librarian may request copies of temperature and humidity readings from the borrower to verify these requirements.

(4) Exhibit venue must be a stationary weather-tight structure with a permanent foundation. Display in portable or temporary buildings or in vehicles is prohibited.

(5) Exhibition cases must be clean, dust-proof, and secured with locks or security screws. Exhibit must be case set into or affixed to a permanent wall, anchored to the floor or foundation, or of such substantial construction as to be immovable without special equipment. Frames must also be clean, dust-proof, and secured to the wall with security screws or other hanging methods approved by the director and librarian. Glass or acrylic sheeting, such as plexiglass, lucite, or poly-

cast must protect all materials displayed in frames or cases. The director and librarian may specify grades of acrylic sheeting that filter ultraviolet light for materials that are especially light sensitive.

(6) The exhibition must be monitored daily to ensure security and stability of documents within the cases and frames as well as adequate maintenance and cleaning of the exhibit area.

(7) Eating, drinking, and smoking must be prohibited in the storage, preparation, and exhibition areas.

(h) Lighting Conditions.

(1) Incandescent or LED lights are the preferred lighting types for exhibition lighting. All light sources must be filtered to remove the ultraviolet component.

(2) When lighting items exhibited in a case, exterior lights shall be used whenever possible. If interior case lights are used, fluorescent or LED lights with ultraviolet filters are preferable to ensure a minimal effect on temperature in the case.

(3) No items may be exhibited where they will be exposed to direct or unfiltered sunlight.

(4) The allowable light level for display of certain items of particular historical significance, as determined by the state archivist, is an illumination of no more than 5 foot-candles or 53.8 lux, measured near the surface of the exhibited item. In the event the state archivist determines a lower maximum light level is appropriate for a particular item, the borrower must agree to the lower maximum light level. Exhibits with adjustable fiber optic illumination are preferred. The allowable range of illumination for all other items is 5 - 7 foot-candles or 53.8 - 75.3 lux, where a smaller numerical reading is preferred.

(i) Handling and Installation.

(1) Items may be handled and installed only by a curator, archivist, registrar, exhibit technician, or conservator under contract to or on the staff of the borrower.

(2) The agency may encapsulate or mat documents for loan to minimize dangers associated with handling and exhibition. No item borrowed for exhibition may be altered, cleaned, repaired, or removed from housing provided by the agency without first obtaining written permission from the director and librarian.

(3) The agency may directly supervise the installation of its items.

(4) All items must be handled, supported, and conveyed by means that will prevent damage during transport to and from the borrowing institution and within it.

(5) All items must be given sufficient physical support to prevent damage during exhibition.

(j) Inspections.

(1) An agency staff member may inspect the exhibition area before the loan is approved. If, after an agency staff inspection and[,] in the opinion of the director and librarian any loan requirement cannot be met, the loan will not be made.

(2) Agency staff members or personnel designated by the director and librarian may inspect loaned items at any time during the period of the loan. If agency staff identify any requirement of this section not being met and the borrower is unable to correct the deficiency in a reasonable period of time, the loan will be terminated, and the agency will recall the item.

(k) Packing and Transportation.

(1) Unless the agency specifies otherwise, agency staff will pack items going out on loan. The borrower is responsible for packing loan items to return to the agency. All items must be given sufficient support and protection to prevent damage during transit.

(2) The borrower will pay all costs associated with shipping or transporting the items on loan from the agency. Shipping arrangements will be made in consultation with the agency.

(3) Transportation for certain items of particular historical significance, as determined by the state archivist, to and from the borrower location will generally require the services of a DPS escort, armored security contractor, or bonded security courier. The borrower will be responsible for costs associated with transportation and security. The location of the venue and distance from the agency, as well as mode of transportation required to deliver the loan item, will be considered in evaluating the request.

(l) Insurance. Prior to loaning an item, a borrower must provide evidence of all-risk insurance coverage adequate to cover the assigned monetary values for all loaned items from the time the items leave the agency until the time of return. The agency may assign insurance values for loan items at its discretion, based on [a] new, previous, or similar appraisals or estimates, adjusted if necessary. If an appraised or estimated insurance value is not available, the borrower may be required to pay for an appraisal by a qualified, reputable, and mutually agreed upon appraiser.

(m) Publicity and Credit.

(1) The director and librarian must approve any plans to reproduce loaned items for exhibition-related publications, other publications, and publicity purposes.

(2) Agency materials on exhibition may be photographed by the general public without the use of flash or tripod.

(3) In the exhibition and related publicity, the agency must receive clear and prominent credit. The following credit line shall be used: Archives and Information Services Division, Texas State Library and Archives Commission.

§10.4. Reappraisal and Deaccessioning of Items.

(a) The commission recognizes the need for periodic reevaluations and thoughtful selection necessary for the growth and proper care of collections. To maintain the integrity of the State Archives holdings, items may be reappraised by staff to determine if they still meet professional appraisal criteria and comply with the agency's acquisition policy. Items that do not meet professional appraisal criteria and are not in compliance will be considered for deaccession.

(b) Deaccession may be appropriate for items:

(1) That were never appraised or are not subject to archival review according to the creating agency's approved records retention schedule;

(2) Whose retention period has changed from permanent to nonpermanent according to the creating agency's approved records retention schedule;

(3) That are duplicates of other items in the State Archives if such duplicates are found in records of a separate state agency or in a separate non-state agency collection;

(4) That are reproductions of archival materials owned by other individuals or repositories;

(5) Whose condition has deteriorated to a point that they are unstable or endanger staff or other items;

(6) The agency cannot properly access or store;

(7) That are confidential by law or otherwise exempted from required public disclosure under the Public Information Act, Chapter 552, Texas Government Code [~~permanently closed,~~] in whole or in part[~~, by the creating agency~~];

(8) That do not meet the requirements of the agency's current acquisition policy; or

(9) Approved on a case-by-case basis for deaccession for other reasons not listed above.

(c) Items requiring reappraisal may only be deaccessioned if a majority of the Deaccession Workgroup votes to recommend deaccession and the state archivist approves. The state archivist will notify the director and librarian prior to final approval of deaccessioning of items.

(d) A prior appraisal decision for a creating agency's record series may be reapplied to items of the same agency's same record series with only archives supervisor approval. The state archivist will notify the director and librarian prior to final approval of deaccessioning of items.

(e) Items in existing collections that do not belong to a series requiring archival review or archival transfer do not require reappraisal before deaccessioning. The state archivist will notify the director and librarian prior to final approval of deaccessioning of items.

(f) [~~(d)~~] The agency will determine the appropriate method by which to dispose of a deaccessioned item, which may include, but is not limited to, the following:

(1) Items may be transferred to a repository with an appropriate collecting scope;

(2) Items that are state records may [~~will~~] be destroyed by the agency;

(3) For any other non-government records, the agency will make a reasonable effort to locate the original donor to return the deaccessioned item, unless the donor claimed a charitable donation tax deduction. To return a donated item to the original donor:

(A) Donor(s) must sign a written acknowledgment attesting to the fact that a tax deduction was not claimed;

(B) If the donor is deceased, any claimant requesting return in lieu of the donor must present a notarized statement that he/she is either the sole party at interest or authorized to represent all parties at interest, along with providing supporting proof; and

(C) If the original donor cannot be located, these items may be offered to another repository or destroyed;

(4) Any item whose condition could endanger individuals or other items will be destroyed; and

(5) The sale of any deaccessioned materials will be approved by the Commission, and the funds will be used to preserve [~~state~~] archival state records and other historical resources and to make the records and resources available for research.

(g) [~~(e)~~] If an item or collection of items approved for deaccession has been logged in the accession log as "on loan" ["~~on loan~~"] to the agency or has unknown provenance, staff will follow the procedures in Property Code, Chapter 80 (relating to Ownership, Conservation, and Disposition of Property Loaned to Museum) regarding ultimate disposition of the item or items.

(h) [~~(f)~~] Upon deaccession, the agency will determine an appropriate transfer or disposition method for the item [~~relinquishes title to the object or collection, except in the case of theft or loss. If deaccessioning is due to theft or loss, the agency will retain title to the item for the state in case it is ever recovered~~].

§10.5. Transfer of State Agency Records to the State Archives.

(a) Archival state records shall be transferred to the state archives when the records are no longer needed for the administration of the state agency. Records designated as archival on the state agency's approved records retention schedule must be transferred to the state archives. For records designated for archival review on the state agency's approved records retention schedule, the state agency's records management officer must contact the state archives for an archival review before disposition.

(b) To initiate a transfer of archival state records, the transferring state agency shall notify the state archives using the forms and procedures prescribed by the state archives and available at www.tsl.texas.gov. Submission of these forms shall constitute a formal request from the state agency for the state archives to accept legal and physical custody of the records.

(c) Archival state records shall be transferred in the format designated by the state agency as the record copy. If a record is maintained in both hard copy and electronic format, the state agency must transfer the electronic version for preservation. In some instances, both the hard copy and electronic version may be preserved. State agencies are not required to convert paper records to electronic format for the purpose of transfer.

(d) [~~(c)~~] For archival state records stored temporarily in the State Records Center, on notification that the records have met retention requirements and are eligible for archival review or transfer, the state agency records management officer must notify the state archives using the forms and procedures prescribed by the state archives and available at www.tsl.texas.gov. Submission of these forms shall constitute a formal request from the state agency for the state archives to accept legal and physical custody of the records.

(e) [~~(d)~~] Archival state records approved for transfer to the state archives must be identified, packaged, and transferred according to the procedures prescribed by the state archives and available at www.tsl.texas.gov.

(f) [~~(e)~~] All transfers must be accompanied by an inventory as prescribed by the state archives and available at www.tsl.texas.gov.

(g) [~~(f)~~] Records storage equipment received with transfers of records to the state archives will be retained or disposed of at the discretion of the state archives unless the transferring state agency requests the equipment's return.

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

Filed with the Office of the Secretary of State on November 13, 2026.

TRD-202604837
Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 463-5460

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PART 8. TEXAS FILM COMMISSION

CHAPTER 121. TEXAS MOVING IMAGE INDUSTRY INCENTIVE PROGRAM

13 TAC §121.7

The Office of the Governor ("OOG") proposes amendments to 13 TAC §121.7, concerning Additional Grant Awards. The proposed amendments add the Texas Heritage Grant and the Faith-Based Moving Image Project Grant authorized by Senate Bill 22, 89th Legislature, Regular Session (2025), as new paragraphs (6) and (7).

EXPLANATION OF PROPOSED AMENDMENTS

The Texas Moving Image Industry Incentive Program ("TMIIIP") was implemented to increase employment opportunities for Texas industry professionals, encourage tourism to the state, and boost economic activity in Texas cities and the overall Texas economy. Senate Bill 22 created seven additional grants under section 485.025, Texas Government Code. The OOG implemented five additional grants in amendments to §121.7 effective July 12, 2026, and stated that it would address the Texas Heritage Grant and the Faith-Based Moving Image Project Grant in a future rulemaking. This proposal adds those two grants.

New §121.7(6) creates the Texas Heritage Grant, an additional 2.5% of total in-state spending for a project the Texas Film Commission ("Commission") designates as a Texas Heritage Project in its sole discretion. The paragraph restates the two considerations required by section 485.025(b), Texas Government Code, describes when a project promotes family values, and lists factors the Commission may consider in determining whether a project portrays Texas and Texans in a positive fashion. To be designated, a project must have at least 70% Texas Residents among its paid Crew and Cast, including extras, and must, considered as a whole, identify Texas, depict Texans, and encourage favorable appreciation of the State.

New §121.7(7) creates the Faith-Based Moving Image Project Grant, an additional 2.5% of total in-state spending for a project the Commission designates in its sole discretion under section 485.025(f), Texas Government Code. A qualifying project, considered as a whole, has themes, narratives, or characters drawn substantially from religious beliefs, traditions, practices, experiences, or vocations. The paragraph lists factors the Commission may consider and allows it to request information from the Applicant.

FISCAL NOTE

Stephanie Whallon, Director, Texas Film Commission, has determined that during each of the first five years in which the proposed amendments are in effect, there will be no fiscal impact on local governments as a result of enforcing or administering the proposed amendments. The amendments may increase an individual project's grant by 2.5% of total in-state spending for each designation, subject to the 31% limit in section 485.025(i), Texas Government Code, but do not increase total program expenditures, which are limited to the funds available to the program.

PUBLIC BENEFIT AND COSTS

Ms. Whallon has also determined that during each of the first five years in which the proposed amendments are in effect, the anticipated public benefit will be implementation of the Texas Heritage Grant and the Faith-Based Moving Image Project Grant created by Senate Bill 22.

Ms. Whallon has determined there are no anticipated economic costs to persons required to comply with the proposed amendments, because seeking either designation is voluntary.

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

LOCAL EMPLOYMENT IMPACT STATEMENT

Ms. Whallon has determined that the proposed amendments will not affect a local economy. Therefore, a local employment impact statement is not required under section 2001.022, Texas Government Code.

GOVERNMENT GROWTH IMPACT STATEMENT

Ms. Whallon has determined that during each of the first five years in which the proposed amendments are in effect, the amendments:

(1) will not create or eliminate a government program;

(2) will not require the creation of new employee positions or the elimination of existing employee positions;

(3) will not require an increase or decrease in future legislative appropriations to the OOG;

(4) will not require an increase or decrease in fees paid to the OOG;

(5) do not create a new regulation;

(6) will expand an existing regulation;

(7) will not increase or decrease the number of individuals subject to the applicability of the rules; and

(8) will positively affect the Texas economy.

TAKINGS IMPACT ASSESSMENT

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

SUBMISSION OF COMMENTS

The OOG requests comments on the proposed amendments from any interested person, and requests information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis, from any person required to comply with the proposed amendments or any other interested person. Written comments regarding the proposed rule amendments may be submitted for 30 days following the date of publication of this notice by mail to Stephanie Whallon, Office of the Governor, Texas Film Commission, P.O. Box 12428, Austin, Texas 78711, or by email to TFCRules.Comments@gov.texas.gov with the subject line "TMIIIP Additional Grants." The deadline for receipt of comments is 5:00 p.m., Central Time, on December 28, 2026.

STATUTORY AUTHORITY

The amendments are proposed under sections 485.022 and 485.025(b) and (f), Texas Government Code, which direct the OOG to develop procedures for grant applications and awards and provide for designation of Texas heritage and faith-based moving image projects according to rules adopted by the OOG. The amendments are also proposed in accordance with Senate Bill 22, which took effect on September 1, 2025.

CROSS REFERENCE TO STATUTE

Chapter 485 of the Texas Government Code, including Section 485.025. No other statutes, articles, or codes are affected by the proposed amendments.

§121.7. Additional Grant Awards.

An applicant may be eligible for one or more additional grants. The total grant amount a project may receive will be equal to an amount no greater than 31% of total in-state spending by meeting one or more of the following:

(1) - (5) (No change.)

(6) Texas Heritage Grant--A project the Commission, in its sole discretion, designates as a Texas Heritage Project may receive an additional 2.5% of total in-state spending.

(A) In determining whether to designate a project under this paragraph, the Commission shall consider whether the project:

(i) has a current and likely future effect of promoting family values; or

(ii) portrays Texas and Texans in a positive fashion.

(B) For purposes of subparagraph (A)(i) of this paragraph, a project promotes family values if it is suitable for a general audience or for viewers of all ages and, considered as a whole, affirms or encourages one or more of the following:

(i) the stability of family relationships;

(ii) mutual love, protection, support, patience, responsibility, and self-control within family units;

(iii) responsible parenthood and the protection, care, intellectual formation, and moral education of children;

(iv) respect and care for parents, grandparents, and other dependent family members; or

(v) the transmission of virtue and moral or ethical values between generations.

(C) In determining whether a project portrays Texas and Texans in a positive fashion under subparagraph (A)(ii) of this paragraph, the Commission may consider the project's:

(i) cultural impact on this State;

(ii) contribution to this State's cultural, historical, natural, or man-made resources; and

(iii) impact on the communities in which it is produced.

(D) The Commission may designate a project as a Texas Heritage Project under this paragraph only if at least 70% of the combined total of Crew and Cast, including extras, paid by the Applicant are Texas Residents and the project, considered as a whole:

(i) identifies this State, by name or through settings or landmarks recognizable as being in this State;

(ii) depicts characters or subjects who are Texans; and

(iii) encourages favorable appreciation of this State's communities, institutions, industries, history, or natural or man-made features.

(7) Faith-Based Moving Image Project Grant--A project the Commission, in its sole discretion, designates as a Faith-Based Moving Image Project may receive an additional 2.5% of total in-state spending.

(A) For purposes of this paragraph, and subject to Section 485.022(f)(3), Texas Government Code, a Faith-Based Moving Image Project is a project that, considered as a whole, has themes, narratives, or characters that are drawn substantially from religious beliefs, traditions, practices, experiences, or vocations.

(B) In determining whether a project satisfies subparagraph (A) of this paragraph, the Commission may consider relevant factors, including:

(i) the significance that religious beliefs, practices, experiences, or perspectives have in relation to the project's themes, narratives, or characters;

(ii) the project's expression or exploration of religious themes through dialogue, imagery, symbolism, allegory, or other means; and

(iii) the project's depiction of religious places of worship, rites, vocations, or sacred texts.

(C) The Commission may request from the Applicant any information the Commission considers necessary to make a determination under this paragraph.

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604853
Stephanie Whallon
Director
Texas Film Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 463-2000

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TITLE 22. EXAMINING BOARDS

PART 10. TEXAS FUNERAL SERVICE COMMISSION

CHAPTER 201. LICENSING AND ENFORCEMENT--PRACTICE AND PROCEDURE

22 TAC §201.4, §201.11

The Texas Funeral Service Commission (Commission or TFSC) proposes amendments to 22 TAC §201.4, Definitions, and §201.11, Correspondence and Notice, in Chapter 201, Licensing and Enforcement--Practice and Procedure.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. As part of its review of Chapter 201 under Texas Government

Code §2001.039, the Commission has assessed whether the reasons for initially adopting the rules continue to exist and has determined that they do. The proposed amendments update the rules to reflect current law and practice. The amendments clarify terms used in the Commission's rules and give the Commission greater flexibility in selecting a delivery service for official notices.

The proposed amendment to §201.4 adds definitions of "Authorizing agent," "Disposition," and "Respondent." The first two definitions give families and regulated persons a common reference for understanding who may authorize disposition under Texas Health and Safety Code §711.002 and what constitutes final disposition under applicable law. The definition of "Respondent" clarifies that the term refers to the person charged with an alleged violation in a regulatory program administered by the Commission, whether or not that person holds a license.

The proposed amendment to §201.11 replaces references to specific private carriers and overnight mail delivery with a general reference to common carrier mail delivery service. This change allows the Commission to select a private carrier without requiring overnight service. The United States Postal Service remains an option, and notice continues to be complete when the Commission deposits it as prescribed by the rule.

SECTION-BY-SECTION SUMMARY

§201.4. Definitions. The proposed amendment adds definitions of "Authorizing agent," "Disposition," and "Respondent," and renumbers the existing definitions. "Authorizing agent" means a person authorized under Texas Health and Safety Code §711.002 to dispose of a decedent's remains. "Disposition" means the final handling of human remains by burial, cremation, donation, entombment, or another lawful method in accordance with §711.002 and other applicable law. "Respondent" means a licensed or unlicensed person charged with violating a law establishing a regulatory program administered by the Commission, a Commission rule, or an order issued by the Commission or the executive director.

§201.11. Correspondence and Notice. The proposed amendment to subsection (b) replaces references to named private carriers and other overnight mail delivery services with a general reference to common carrier mail delivery service. The amendment removes the overnight delivery requirement for private carriers and retains the United States Postal Service as an option. Notice continues to be complete upon deposit by the Commission as prescribed by subsection (b).

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT. Maria Haynes, Executive Director of the Commission, has determined that, for each of the first five years the proposed amendments are in effect, administering or enforcing the amendments will have no foreseeable effect on state or local government costs or revenues.

The definitions added by §201.4 can be applied through existing administrative and enforcement procedures. The amendment to §201.11 gives the Commission additional options for sending notices while allowing it to continue using its existing delivery services. The proposed amendments do not change fees or assign new duties to local governments.

LOCAL EMPLOYMENT IMPACT STATEMENT

Ms. Haynes has determined that the proposed amendments will not affect a local economy. The amendment to §201.4 adds definitions that can be applied through existing procedures, and the amendment to §201.11 expands the Commission's options for delivering notices. Neither amendment changes staffing requirements for regulated establishments or assigns new duties to local governments. Accordingly, a local employment impact statement is not required under Texas Government Code §2001.022.

PUBLIC BENEFITS. Ms. Haynes has determined that, for each of the first five years the proposed amendments are in effect, the anticipated public benefits will be clearer rules for families, regulated persons, and parties to enforcement proceedings, and greater flexibility for the Commission in sending official notices.

The definitions in §201.4 will help families and funeral service providers understand who may authorize disposition and what constitutes final disposition under applicable law. Defining "Respondent" will help parties understand whom the Commission identifies as the respondent in an enforcement proceeding. The amendment to §201.11 will allow the Commission to choose a common carrier based on the delivery needs of the notice while retaining the United States Postal Service as an option.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL. Ms. Haynes has determined that, for each of the first five years the proposed amendments are in effect, persons required to comply with the proposal are expected to incur no additional economic costs.

The definitions added by §201.4 do not require new forms, records, or procedures. The amendment to §201.11 changes the delivery options available to the Commission for sending notices and imposes no delivery costs on establishments or licensees. The proposed amendments do not change Commission fees.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES. Ms. Haynes has determined that the proposed amendments are not expected to have an adverse economic effect on small businesses, micro-businesses, or rural communities.

The definitions added by §201.4 do not require businesses to adopt new forms, keep additional records, or change staffing. The amendment to §201.11 expands the Commission's delivery options for official notices without shifting delivery costs to establishments or licensees. Neither amendment increases Commission fees or assigns new duties to rural municipalities.

Accordingly, an economic impact statement and a regulatory flexibility analysis are not required under Texas Government Code §2006.002.

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

The Commission has determined that the proposed amendments are expected to impose no additional costs on regulated persons, including any state agency, special district, or local government required to comply. Section 201.4 adds definitions without imposing new compliance duties. Section 201.11 expands the Commission's options for sending official notices without shifting delivery costs to establishments or licensees.

Based on these findings, Texas Government Code §2001.0045 does not require the Commission to repeal or amend another rule to offset costs.

GOVERNMENT GROWTH IMPACT STATEMENT. Under Texas Government Code §2001.0221, the Texas Funeral Service Commission has determined that, for each of the first five years the proposed amendments are in effect:

The proposed amendments will neither create nor eliminate a government program.

Implementation will neither create nor eliminate employee positions.

Implementation will require neither an increase nor a decrease in future legislative appropriations to the Commission.

The proposed amendments will neither increase nor decrease fees paid to the Commission.

The proposed amendments will not create a new regulation. Section 201.4 adds definitions to an existing rule, and §201.11 amends an existing notice provision.

The proposed amendment to §201.11 will expand the Commission's delivery options by removing the overnight delivery requirement for private carriers. The proposed amendment to §201.4 clarifies terminology within the Commission's existing regulatory scope. The proposal will not repeal an existing regulation.

The proposed amendments will neither increase nor decrease the number of individuals subject to the rules. The definition of "Respondent" describes who may be identified as a respondent within the Commission's existing enforcement authority.

The proposed amendments are expected to have neither a positive nor an adverse effect on the state economy.

TAKINGS IMPACT ASSESSMENT. The Texas Funeral Service Commission has reviewed the proposed amendments under Texas Government Code Chapter 2007. The amendment to §201.4 adds definitions concerning disposition of human remains and enforcement proceedings. The amendment to §201.11 revises the delivery services the Commission may use to send official notices.

The Commission has determined that the proposed amendments will neither restrict or limit an owner's rights in private real property nor result in a taking under Chapter 2007. Accordingly, a written takings impact assessment is not required under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES. The Commission invites any interested person to comment on the proposed amendments to 22 TAC §201.4 and §201.11. The Commission also requests information from persons required to comply with the proposed amendments and from any other interested person about the cost, benefit, or effect of the proposal, including any applicable data, research, or analysis.

The Commission welcomes information on how the proposed definitions in §201.4 may affect families, funeral service providers, and parties to enforcement proceedings. The Commission also welcomes information on how removing the overnight delivery requirement for private carriers under §201.11 may affect the timing or reliability of official notices. Please identify the section your submission addresses and explain the basis for any estimates.

Submit written comments and information by email to info@tfsc.texas.gov or by mail to Maria Haynes, Executive Director, Texas Funeral Service Commission, 1801 Congress Avenue, Suite 11.800, Austin, Texas 78701. The Commission must receive submissions no later than 30 days after the date this proposal is published in the *Texas Register.* For further information, call (512) 936-2474.

STATUTORY AUTHORITY. The Texas Funeral Service Commission proposes amendments to 22 TAC §201.4 and §201.11 under Texas Occupations Code §651.152, which directs the Commission to adopt rules, establish procedures, and prescribe forms necessary to administer and enforce Texas Occupations Code Chapter 651 and Texas Health and Safety Code Chapters 714 and 715. The cremation-related provisions of §201.4 are also proposed under Texas Health and Safety Code §716.002, which authorizes the Commission to adopt rules governing cremation consistent with Texas Health and Safety Code Chapter 716 and Texas Occupations Code Chapter 651.

The proposed amendments affect Texas Occupations Code Chapter 651, and the amendment to §201.4 also relates to Texas Health and Safety Code §711.002, which governs the right to control disposition, and §716.001(1), which defines "authorizing agent."

§201.4. Definitions.

The following words and terms, when used in Texas Administrative [~~Tex. Admin.~~] Code, Title 22, Part 10, shall have the following meanings:

(1) Advertising--The act of making publicly and generally known: the act of announcing publicly especially by a printed notice, electronic medium or a broadcast.

(2) Alternative container--An unfinished wood box or other non-metal receptacle or enclosure, without ornamentation or a fixed interior lining, which is designed for the encasement of human remains and which is made of fiberboard, pressed-wood, composition materials (with or without an outside covering) or like materials.

(3) At-need--The time of need of funeral services or merchandise when a human being has become deceased.

(4) Authorizing agent--A person authorized to dispose of a decedent's remains under Texas Health and Safety Code §711.002.

(5) [~~(4)~~] Cash Advance item--Any item of service or merchandise described to a purchaser as a "cash advance", "accommodation", "cash disbursement" or similar term. A cash advance item is also any item obtained from a third party and paid for by the funeral provider on the purchaser's behalf. Cash advance items may include, but are not limited to: cemetery or crematory services; pallbearers; public transportation; clergy honoraria; flowers; musicians or singers; nurses; obituary notices; gratuities and death certificates.

(6) [~~(5)~~] Casket--A rigid container which is designed for the encasement of human remains and which is usually constructed of wood, metal, fiberglass, plastic, or like material, and ornamented and lined with fabric.

(7) [~~(6)~~] Commission--The Texas Funeral Service Commission.

(8) [~~(7)~~] Cremation--A heating process which incinerates human remains.

(9) [~~(8)~~] Cremation Society--A resource for sharing a common interest of learning about cremation and providing consumers the assistance to locate cremation providers in their local area or outside their local area.

(10) [~~(9)~~] Direct Cremation--Disposition of human remains by cremation, without formal viewing, visitation, or ceremony with the body present.

(11) Disposition--The final handling of human remains by burial, cremation, donation, entombment, or another lawful method,

in accordance with Texas Health and Safety Code §711.002 and other applicable law.

(12) [~~(10)~~] Funeral ceremony--A service commemorating the deceased with the body present.

(13) [~~(11)~~] Funeral goods--Goods which are sold or offered for sale directly to the public for use in connection with funeral services. Also referred to as funeral merchandise.

(14) [~~(12)~~] Funeral provider--Any person, partnership or corporation that sells or offers to sell funeral merchandise and funeral services to the public at need.

(15) [~~(13)~~] Graveside service--A funeral ceremony with the body present held at the burial site.

(16) [~~(14)~~] Holding the body hostage--Refusing for any reason to transfer or allow the transfer of a dead human body to the person responsible for making arrangements for final disposition.

(17) [~~(15)~~] Immediate burial--Disposition of human remains by burial, without formal viewing, visitation, or ceremony with the body present, except for a graveside service.

(18) [~~(16)~~] Memorial service--A ceremony commemorating the deceased without the body present.

(19) [~~(17)~~] Morgue--A place where bodies of unidentified persons or those who have died of violence or unknown causes are kept until release for burial or other lawful disposition.

(20) [~~(18)~~] Person--Any individual, partnership, corporation, association, government or governmental subdivision or agency or other entity.

(21) [~~(19)~~] Pre-need--Prearranged or prepaid funeral or cemetery services or funeral merchandise, including an alternative container, casket, or outer burial container. The term does not include a grave, marker, monument, tombstone, crypt, niche, plot, or lawn crypt unless it is sold in contemplation of trade for funeral services or funeral merchandise as defined by Finance Code Chapter 154.

(22) [~~(20)~~] Refrigeration of body--Maintenance of an unembalmed dead human body at a temperature of 34-40 degrees Fahrenheit.

(23) Respondent--Any person, regardless of whether the person is licensed or unlicensed, who is charged with violating a law establishing a regulatory program administered by the Commission or a rule adopted by or an order issued by the Commission or the executive director.

(24) [~~(21)~~] SOAH--The State Office of Administrative Hearings.

(25) [~~(22)~~] Unreasonable Time--The retention of excess funds for a period that exceeds ten days from the time the funds were received by the funeral establishment or its agent.

§201.11. Correspondence and Notice.

(a) All correspondence to an establishment or to a licensee shall be sent to the mailing address of record as reflected on the initial license application or as otherwise provided by the establishment or licensee.

(b) Notice shall be deemed complete upon deposit by the Commission in a postpaid, properly addressed envelope. The correspondence must be placed in a post office or official depository under the care and custody of the United States Postal Service or a common carrier mail delivery service [~~, FedEx, UPS or any other over-night mail delivery service~~].

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604854
Maria Haynes
Executive Director
Texas Funeral Service Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 936-2488

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CHAPTER 203. LICENSING AND ENFORCEMENT--SPECIFIC SUBSTANTIVE RULES

SUBCHAPTER B. DUTIES OF A FUNERAL ESTABLISHMENT/LICENSEE

22 TAC §§203.21 - 203.23, 203.25, 203.27, 203.28, 203.31 - 203.33, 203.35

The Texas Funeral Service Commission (Commission or TFSC) proposes amendments to 22 TAC §§203.21 - 203.23, 203.25, 203.27, 203.28, 203.31 - 203.33, and 203.35, in Chapter 203, Subchapter B, Duties of a Funeral Establishment/Licensee.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. As part of its review of Chapter 203 under Texas Government Code §2001.039, the Commission has assessed whether the reasons for initially adopting the rules continue to exist and has determined that they do. The proposed amendments update the rules to reflect current law and practice. The amendments clarify responsibility for funeral and commercial embalming establishment operations, document who has authority to control disposition, and update requirements for preparation rooms, embalming, and access to retained records.

SECTION-BY-SECTION SUMMARY

§203.21. *First Call Definition.* The proposed amendment aligns the first-call definition with Texas Occupations Code §651.401 and Texas Health and Safety Code §711.002, clarifies that a person may initiate contact on behalf of the person authorized to control disposition, and prohibits commercial embalming establishments from authorizing first calls or contracting directly with the public for services or merchandise.

§203.22. *Funeral Director in Charge.* The proposed amendment revises the funeral director in charge's compliance and availability duties, retains the 15-day notice period when the director changes, revises multi-establishment designation and appeal provisions, assigns provisional case scheduling to the director, and ties the separation affidavit to employment with the establishment. Unless exempt under Commission rules, a licensed funeral establishment must designate an embalmer in charge. It must designate a separate licensed embalmer if the funeral director in charge does not hold an embalmer's license.

§203.23. *Embalmer in Charge.* The proposed amendment revises the embalmer in charge's compliance and availability duties, retains the 15-day notice period when the embalmer changes, revises multi-establishment designations, removes

the next-meeting appeal timetable and written notice of the Commission's action under subsection (e), assigns provisional case scheduling to the embalmer in charge, and ties the separation affidavit to employment with the commercial embalming establishment.

§203.25. *Display of Funeral Merchandise.* The proposed amendment ties approval of casket showrooms to Texas Occupations Code §651.351 and retains private inspection and selection of merchandise. It deletes the rule's separate display specifications, including the reference to the lowest-priced casket offered for sale. The statutory display requirements in §651.351(d)(7) and (f) continue to apply.

§203.27. *Identification of Person Responsible for Making Arrangements.* The proposed amendment requires the funeral director to ask the person's relationship to the decedent before discussing funeral arrangements and requires written acknowledgment of the person's right to control disposition.

§203.28. *Establishment Chapel Requirements.* The proposed amendment clarifies that a funeral establishment must have a chapel with seating for at least 10 people.

§203.31. *Facilities Necessary in a Preparation Room.* The proposed amendment restates the preparation-room approval standard, requires preparation rooms to meet minimum standards, and revises requirements for preventing rodent entry and keeping odors from entering other parts of the building.

§203.32. *Requirements Relating to Embalming.* The proposed amendment reorganizes minimum embalming standards, revises provisions governing designated facilities and out-of-state assistance during a governor-declared disaster and the ensuing recovery period, and makes existing pest-prevention and treatment guidance mandatory. It updates the reference to anatomical-donation standards after the transfer of regulatory functions to TFSC and clarifies reporting and signature requirements for embalming cases.

§203.33. *Required Documentation for Embalming.* The proposed amendment clarifies when a funeral establishment may initiate contact after receiving a body from a medical examiner or justice of the peace, when the Commission's Authorization to Embalm Form must be signed, and how written consent for mortuary-student participation must be documented.

§203.35. *Location of Retained Records.* The proposed amendment makes licensees responsible for retaining required records at the licensed establishment where arrangements were made for at least two years. It permits the Commission or its staff to request copies outside an investigation or inspection, corrects wording in the exemption provisions, and simplifies the electronic-records provision.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT. Maria Haynes, Executive Director of the Commission, has determined that, for each of the first five years the proposed amendments are in effect, administering or enforcing the amendments is expected to have no foreseeable effect on state or local government costs or revenues.

LOCAL EMPLOYMENT IMPACT STATEMENT. Ms. Haynes has determined that the proposed amendments will not affect a local economy. Accordingly, a local employment impact statement is not required under Texas Government Code §2001.022.

PUBLIC BENEFITS. Ms. Haynes has determined that, for each of the first five years the proposed amendments are in effect, the anticipated public benefit will be clearer protections for families making funeral arrangements and more consistent oversight of funeral and commercial embalming establishments.

Requiring written acknowledgment of the right to control disposition will help document who has authority to make decisions about a decedent's remains and reduce the risk of disputes or delays. Clearer duties for funeral directors and embalmers in charge will help establishments apply the rules consistently. Updated preparation-room and embalming standards will support the safe and dignified care of remains. Clearer recordkeeping and access requirements will help the Commission verify compliance and respond to consumer complaints.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL. Ms. Haynes has determined that, for each of the first five years the proposed amendments are in effect, persons required to comply with the proposal are expected to incur no additional economic costs. The proposed amendments do not change Commission fees.

The Commission expects funeral establishments to use existing forms or arrangement procedures to document a person's written acknowledgment of the right to control disposition and to use existing records systems to provide copies upon request. The Commission also expects nonexempt funeral establishments to designate an embalmer in charge using existing licensed personnel or staffing arrangements and to meet the revised preparation-room standards using existing facilities and equipment.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES. Ms. Haynes has determined that the proposed amendments are not expected to have an adverse economic effect on small businesses, micro-businesses, or rural communities.

The Commission expects affected establishments to document written acknowledgment of the right to control disposition and provide copies of retained records using existing procedures and records systems. The Commission also expects nonexempt funeral establishments to designate an embalmer in charge using existing licensed personnel or staffing arrangements and to meet the revised preparation-room standards using existing facilities and equipment. The proposed amendments do not increase Commission fees or assign new duties to rural municipalities.

Accordingly, an economic impact statement and a regulatory flexibility analysis are not required under Texas Government Code §2006.002.

ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT. The Commission has determined that the proposed amendments are expected to impose no additional costs on regulated persons, including any state agency, special district, or local government required to comply. In making this determination, the Commission considered the requirements for written acknowledgment of the right to control disposition, designation of an embalmer in charge, compliance with revised preparation-room standards, and production of retained records upon request.

Based on the fiscal findings stated in this notice, no repeal or amendment of another rule is required to offset costs under Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. Under Texas Government Code §2001.0221, the Texas Funeral Service Commission has determined that, for each of the first five years the

proposed amendments to 22 TAC Chapter 203, Subchapter B, are in effect:

The proposed amendments will neither create nor eliminate a government program.

Implementation will neither create nor eliminate Commission employee positions.

Implementation will require neither an increase nor a decrease in future legislative appropriations to the Commission.

The proposed amendments will neither increase nor decrease fees paid to the Commission.

The proposed amendments will add requirements within existing regulations. Section 203.22 will require nonexempt funeral establishments to designate an embalmer in charge, and §203.27 will require written acknowledgment of the right to control disposition. §203.32(a)(17) makes pest prevention and treatment mandatory; §203.31(a)(4) and (11) become performance standards; §203.27 makes the relationship inquiry mandatory; §203.21(a) limits who may initiate a first call; §203.35(a) requires production of records on request outside an investigation or inspection. The proposal creates no separate regulation.

The proposed amendments will expand existing requirements and remove specific provisions. Section 203.35 will allow the Commission or its staff to request retained records outside an investigation or inspection. Sections 203.22 and 203.23 will remove the requirement to consider certain appeals at the next regularly scheduled Commission meeting. Section 203.25 will remove separate rule-based casket-display specifications. Statutory display requirements will continue to apply. No existing rule will be repealed in full.

The proposed amendments will neither increase nor decrease the number of individuals subject to the rules. The changes apply within the Commission's existing regulatory scope.

The Commission anticipates no positive or adverse effect on the state economy. The amendments leave Commission fees unchanged, and the Commission expects affected establishments to comply using existing personnel, facilities, and records systems.

TAKINGS IMPACT ASSESSMENT. The Texas Funeral Service Commission has reviewed the proposed amendments to 22 TAC Chapter 203, Subchapter B, under Texas Government Code Chapter 2007. The amendments address the operation of licensed funeral and commercial embalming establishments. The Commission considered the provisions most directly related to facilities, including the chapel requirements in §203.28 and the preparation-room standards in §203.31.

The chapel amendment retains the existing minimum seating capacity of 10. The preparation-room amendment revises standards for preventing rodent entry and keeping odors from entering other parts of a building. The Commission expects affected establishments to meet these standards using existing facilities and equipment. The Commission has determined that the proposed amendments will not restrict or limit an owner's rights in private real property or result in a taking under Chapter 2007. Accordingly, a written takings impact assessment is not required under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES. The Texas Funeral Service Commission invites any interested person to comment on the proposed amendments to 22 TAC Chapter 203, Subchapter B. The Commission also requests information from persons required to comply with the proposed amendments and from other interested persons about the costs, benefits, or effects of the proposal, including any applicable data, research, or analysis.

The Commission welcomes information about the time or expense involved in designating an embalmer in charge, obtaining written acknowledgment of the right to control disposition, meeting the revised preparation-room standards, or providing copies of retained records. The Commission also welcomes information about how the amendments may affect consumers, small businesses, micro-businesses, and rural communities. Please identify the section your submission addresses and explain the basis for any estimate.

Submit written comments and information by email to info@tfsc.texas.gov or by mail to Maria Haynes, Executive Director, Texas Funeral Service Commission, 1801 Congress Avenue, Suite 11.800, Austin, Texas 78701. The Commission must receive submissions no later than 30 days after the date this proposal is published in the *Texas Register.* For further information, call (512) 936-2474.

STATUTORY AUTHORITY. The Texas Funeral Service Commission proposes amendments to 22 TAC §§203.21 - 203.23, 203.25, 203.27, 203.28, 203.31 - 203.33, and 203.35 under Texas Occupations Code §651.152, which directs the Commission to adopt rules, establish procedures, and prescribe forms needed to administer and enforce Chapter 651. Texas Occupations Code §651.151(a) directs the Commission to establish standards for the proficiency, professionalism, ethics, and qualifications of individuals licensed under that chapter.

The amendment to §203.32 is also proposed under Texas Health and Safety Code §691.022(c), which directs the Commission to adopt rules, establish procedures, and prescribe forms needed to administer and enforce Chapter 691. Senate Bill 2040, 88th Legislature, Regular Session (2023), transferred the former Anatomical Board of the State of Texas's regulatory functions under Chapter 691 to the Commission.

The statutory provisions affected by the proposed amendments are Texas Occupations Code §§651.304, 651.351, 651.352, 651.401, 651.403, 651.407, and 651.457, and Texas Health and Safety Code §711.002 and Chapter 691. The proposal also references Texas Government Code Chapter 418 and Texas Code of Criminal Procedure Chapter 49.

§203.21. First Call Definition.

(a) A first call begins the relationship between a licensed funeral director acting on behalf of a licensed funeral establishment and a person authorized under Texas Health and Safety Code §711.002 to control disposition of the decedent's remains. Only that person or someone acting on that person's behalf may initiate the first call.

[~~(a) First Call is the beginning of the relationship between the consumer and the licensed funeral director acting on behalf of a licensed funeral establishment to prepare the body for burial or other disposition. The relationship is initiated by a family member or the person responsible for making arrangements for final disposition.~~]

(b) Transportation of a body sent to a morgue, or a funeral establishment for identification or autopsy at the request of a Justice of the Peace, Medical Examiner, or other official under Code of Criminal Procedure Chapter 49 does not constitute a First Call. Any expenses or items used specifically for the transportation of a body under this

subsection are not items of choice for the consumer, including storage, and therefore are not the responsibility of the consumer to pay.

(c) Licensed commercial embalming establishments must not authorize [are prohibited from authorizing] first calls. Licensed commercial embalming establishments must not contract [calls or dealing] directly with the public for services or merchandise. Any removal of a deceased human body by a commercial embalming establishment must be initiated by a licensed funeral establishment prior to the removal. The commercial embalming facility must notate the name of the funeral establishment authorizing the removal on the release form.

(d) Transportation of a body does not constitute a first call if the removal is done at the request of a health care facility or employee. However, if a family member or the person responsible for making arrangements for final disposition is present the provisions of Occupations Code §651.401 [§ 651.401] prevail.

§203.22. Funeral Director in Charge.

(a) Each licensed funeral establishment must at all times have a designated Funeral Director in Charge. The Funeral Director in Charge shall comply [Charge, who is ultimately responsible for compliance] with all mortuary, health, and vital statistics laws [in the funeral establishment]. A funeral establishment must designate a Funeral Director in Charge at the time it receives its establishment license. The funeral establishment must notify the Commission within 15 days [license, and] any time the Funeral Director in Charge changes, [changes the funeral establishment must notify the Commission,] on a form prescribed by the Commission. [Commission, within 15 days.]

(b) The Funeral Director in Charge must be [generally] available in the routine functions of the funeral establishment in order to personally carry out his or her responsibilities.

(c) The Funeral Director in Charge may be served with administrative process when violations are alleged to have been committed in a funeral establishment.

(d) An individual must [may] not be designated as the Funeral Director [and/or an Embalmer] in Charge of more than one establishment unless the additional establishments are under the same ownership and no establishment is more than 100 miles from any other establishment held under the same ownership conditions.

(e) In order to be designated Funeral Director in Charge of more than one establishment, the licensee must submit a petition to the Commission that clearly explains how each of the criteria in subsection (d) of this section has been met. The Executive Director shall decide whether to grant the petition. The request and decision will be made part of the permanent licensing file. The Executive Director's denial [decision to deny] may be appealed, in writing, to the Commissioners. [Commissioners, and the appeal will be considered at the Commission's next regularly scheduled meeting.]

(f) If the establishment employs a provisional licensee, [licensee it is the responsibility of] the Funeral Director in Charge must [and the provisional licensee to] schedule case work sufficient for the provisional program. The [It is the responsibility of the] Funeral Director in Charge must [to] ensure that each provisional licensee is properly supervised while performing cases.

(g) The Funeral Director in Charge shall retain the originals of all provisional license case reports with supporting documentation for two years from the completion date of the provisional program.

(h) If a provisional licensee separates from [leaves] the employment of the funeral establishment, [a Funeral Director in Charge,] the Funeral Director in Charge must file an affidavit as described in Occupations Code § 651.304(d) within 15 days of employment separation. [termination.]

(i) Unless exempt under Commission rules, a licensed funeral establishment must designate a licensed embalmer as the embalmer in charge. If the funeral director in charge does not hold an embalmer's license, the establishment must designate another individual who holds an embalmer's license.

§203.23. Embalmer in Charge.

(a) Each licensed commercial embalming establishment must at all times have a designated Embalmer in Charge. The Embalmer in Charge must comply [Charge, who is ultimately responsible for compliance] with all mortuary, health, and vital statistics laws. [laws in the commercial embalming establishment.] A commercial embalming establishment must designate an Embalmer in Charge at the time it receives its establishment license. A commercial embalming establishment must notify the Commission within 15 days [license, and] any time the Embalmer in Charge changes [the commercial embalming establishment must notify the commission,] on a form prescribed by the Commission. [Commission, within 15 days.]

(b) The Embalmer in Charge must be [generally] available in the routine functions of the commercial embalming establishment in order to personally carry out his or her responsibilities.

(c) The Embalmer in Charge may be served with administrative process when violations are alleged to have been committed in a commercial embalming establishment.

(d) An individual must [may] not be designated as the Embalmer [and/or the Funeral Director] in Charge of more than one establishment unless the additional establishments are operated as branches or satellites of a primary establishment, all of the establishments are under the same ownership, and no establishment is more than 100 miles from any other establishment held under the same ownership conditions.

(e) In order to be designated Embalmer in Charge of more than one establishment, the licensee must submit a petition to the Commission that clearly explains how each of the criteria in subsection (d) of this section has been met. The Executive Director shall decide whether to grant the petition. The request and decision will be made part of the permanent licensing file. The Executive Director's denial [decision to deny] may be appealed, in writing, to the Commissioners. [Commissioners, and the appeal will be considered at the Commission's next regularly scheduled meeting. The Executive Director shall advise interested parties of the action taken by the Commission in writing.]

(f) If the commercial embalming establishment employs a provisional licensee, [licensee it is the responsibility of] the embalmer in charge must [and the provisional licensee to] schedule case work sufficient for the provisional program. The [It is the responsibility of the] embalmer in charge must [to] ensure that each provisional licensee is properly supervised while performing cases.

(g) The Embalmer in Charge shall retain the originals of all provisional license case reports with supporting documentation for two years from the completion date of the provisional program.

(h) If a provisional license holder separates from [leaves] the employment of the commercial embalming establishment, [an Embalmer in Charge,] the Embalmer in Charge must file an affidavit as described in Occupations Code § 651.304(d), within 15 days of employment separation. [termination.]

§203.25. Display of Funeral Merchandise.

The Commission will approve only casket showrooms in licensed funeral establishments that meet the requirements of Texas Occupations

Code §651.351 and are designed and used to allow the public to inspect and select merchandise in private. [The Commission will approve only those display rooms in licensed funeral establishments which meet the requirements of Occupations Code Chapter 651, which are designed and utilized to allow the public to make a private inspection and selection of merchandise. Regardless of the type or method of overall merchandise selection used by the licensed funeral establishment, there must be a display of at least two full-size adult caskets one of which must be the lowest priced casket offered for sale by the establishment. The funeral establishment also must display at least three adult caskets that are not required to be full-size:]

[(1) in a partial panel display; or]

[(2) by video or brochure, online, or in any other manner.]

§203.27. Identification of Person Responsible for Making Arrangements.

Before [Prior to] discussing funeral arrangements, a funeral director must [should] ask the person how the person is related [his/her relationship] to the decedent to determine who has priority under Texas Health and Safety Code §711.002(a). The person must acknowledge in writing that the person has [ensure] the right to control disposition. [disposition priority as outlined by Health and Safety Code, § 711.002(a) is followed. If possible, the person should acknowledge his/her right to control disposition in writing.] A funeral director or establishment may not be held liable if the person falsely represents that [he/she is] the person is entitled to control [the] disposition of the decedent's remains. [decedent.]

§203.28. Establishment Chapel Requirements.

A [All] funeral establishment [establishments] must have a chapel in which funeral services may be conducted. The chapel [All chapels] shall provide, at a minimum:

(1) seating for 10 individuals; [10;]

(2) public access;

(3) space for the casket; and

(4) a lectern or a podium.

§203.31. Facilities Necessary in a Preparation Room.

(a) The Commission will approve a preparation room only if it meets [those preparation rooms which meet] the requirements of Texas Occupations Code Chapter 651 and the following minimum standards:

(1) must be of sufficient size and dimensions to accommodate an operating table, a sink with water connections, and an instrument table, cabinet, or shelves:

(A) the operating table must be non-porous, with edges raised at least 3/4 inch around the entire table and a drain opening at the lower end;

(B) the sink must have hot and cold running water and drain freely; and

(C) must be equipped with an aspirator;

(2) must contain an injection/embalming machine and sufficient supplies and equipment for normal operations;

(3) must be clean, sanitary, and only used for purposes related to the care of the deceased;

(4) must be designed to prevent [not have defective construction which permits] the entrance of rodents;

(5) must not have evidence of infestation of insects or rodents;

(6) must be private and have no general passageway through it;

(7) must be properly ventilated with an exhaust fan that provides at least five room air exchanges per hour;

(8) must not have public restroom facilities located within the room;

(9) must have walls that run from floor to ceiling and that are covered with tile, or by plaster or sheetrock painted with washable paint;

(10) must have floors of concrete with a glazed surface, or tiled in order to provide the greatest sanitary condition possible, if tile is used, any grout or joint sealant must be unbroken and intact;

(11) must [have doors, windows, and walls constructed to] prevent odors from entering any other part of the building;

(12) must have all windows and openings to the outside screened; and

(13) must have appropriate personal protection equipment related to universal precautions.

(b) For establishments exempt under §203.10 of this title (relating to Preparation Room Exemption), the executive director may require the establishment to have a room with some of the above standards if deceased human remains will be present at the establishment.

§203.32. Requirements Relating to Embalming.

(a) A licensed embalmer shall use professional standards of care to inhibit pathogenic organisms in the dead human body. A licensed embalmer shall comply with the following minimum standards when he or she embalms a dead human body. [In order to ensure the maximum inhibition of pathogenic organisms in the dead human body, the following minimum standards of performance shall be required of each licensed embalmer in the State of Texas in each instance in which he or she is authorized or required to embalm a dead human body.]

(1) Except as provided by paragraph (3)(C) of this subsection, embalming may [Embalming shall] be performed only by [embalmers] an embalmer licensed by the Commission. [Commission,]

(2) Embalming may be performed only in properly equipped and licensed establishments. During [establishments, or in the event of] a disaster declared by the governor under Texas Government Code Chapter 418 or the ensuing recovery period, embalming may also be performed at a facility [of major proportions, in facilities] designated by a medical examiner, coroner, [Medical Examiner, Coroner,] or state health official.

(3) Only the following persons [three types of people] may [under certain circumstances] assist a licensed embalmer: [embalmers in embalming: provisional]

(A) provisionally licensed embalmers under the personal supervision of a licensed embalmer;

(B) students who are enrolled in an accredited school of mortuary science working on a case intended toward completion of the student's clinical requirements, under the personal supervision of a licensed embalmer and with written permission to assist the embalmer from a family member or the person responsible for making arrangements for final disposition; and [and, in the event of]

(C) During a disaster declared by the governor under Texas Government Code Chapter 418 or the ensuing recovery period, an embalmer licensed in another state may assist [of major proportions and] with the prior approval of the Executive Director. The embalmer

must work [~~Director, embalmers licensed in another state as long as they are working~~] with or under the general supervision of [~~a person licensed as~~] an embalmer licensed by the Commission. [~~in this state.~~]

(4) [~~(2)~~] Embalmers shall use [~~are required to utilize~~] all personal protective equipment required by the Occupational Safety and Health Administration and any applicable [~~either OSHA or its corresponding~~] state agency during the embalming procedure.

(5) [~~(3)~~] Clothing and/or personal effects of the decedent shall either be disinfected before delivery to any person or discarded in a manner consistent with the disposal of biohazardous material.

[~~(4) The technique utilized to effect eye, mouth, and lip closure shall be any technique accepted as standard in the profession. Regardless of the technique chosen, the embalmer shall be required to achieve the best results possible under prevailing conditions.~~]

(6) Embalmers shall adhere to professional standards to effectively close eyes, mouths, and lips. Embalmers shall achieve the best results possible under prevailing conditions.

(7) [~~(5)~~] Embalmers shall clean the [~~The~~] entire body [~~may be thoroughly cleaned before arterial injection and shall be cleaned~~] immediately after the embalming procedure with an antiseptic soap or detergent.

(8) [~~(6)~~] Embalmers may clean the entire body before arterial injection. Body orifices (nostrils, mouth, anus, vagina, ear canals, and urethra), [~~urethra)~~] open lesions, and other surgical incisions shall be treated with appropriate topical disinfectants either before or immediately after arterial injection.

(9) After cavity treatment has been completed, body orifices shall be packed in cotton saturated with a suitable disinfectant of a phenol coefficient not less than one in cases where purge is evident or is likely to occur and/or when the body is to be transported out of state or by common carrier.

(10) [~~(7)~~] The arterial fluid to be injected shall be one commercially prepared and marketed with its percent of formaldehyde, or other approved substance, by volume (index) clearly marked on the label or in printed material supplied by the manufacturer.

(11) [~~(8)~~] The fluids selected shall be injected into all bodies in such dilutions and at such pressures as the professional experience of the embalmer shall indicate, except that in no instance shall dilute solution contain less than 1.0% formaldehyde, or an approved substance that acts the same as formaldehyde, and as the professional experience of the embalmer indicates, one gallon of dilute solution shall be used for each 50 pounds of body weight. Computation of solution strength is as follows: C x V = C' x V', where C = strength of concentrated fluid, V = volume of ounces of concentrated fluid, C' = strength of dilute fluid, and V' = volume of ounces of dilute fluid.

(12) [~~(9)~~] Abdominal and thoracic cavities shall be treated in the following manner.

(A) Liquid, semi-solid, and gaseous contents which can be withdrawn through a trocar shall be aspirated by the use of the highest vacuum pressure attainable.

(B) Concentrated, commercially prepared cavity fluid which is acidic in nature (6.5 pH or lower) and contains at least two preservative chemicals shall be injected and evenly distributed throughout the aspirated cavities. A minimum of 16 ounces of concentrated cavity fluid shall be used in any embalming case in which a minimum of two gallons of arterial solution has been injected.

(C) Should distension and/or purge occur after treatment, aspiration and injection as required shall be repeated as necessary.

(13) [~~(10)~~] The embalmer shall [~~be required to~~] check each body thoroughly after treatment has been completed. Any area not adequately disinfected by arterial and/or cavity treatment shall be injected hypodermically with disinfectant and preservative fluid of maximum results. A disinfectant and preservative medium shall be applied topically in those cases which require further treatment.

(14) [~~(11)~~] On bodies in which the arterial circulation is incomplete or impaired by advanced [~~advance~~] decomposition, burns, trauma, autopsy, or any other cause, the embalmer shall [~~be required to~~] use the hypodermic method to inject all areas which cannot be properly treated through [~~whatever~~] arterial circulation remains intact (if any).

(15) [~~(12)~~] In the event that the procedures in paragraphs (1) - (14) [~~(1) - (11)~~] of this subsection leave a dead human body in condition to constitute a high risk of infection to anyone handling the body, the embalmer shall [~~be required to~~] apply to the exterior of the body an appropriate embalming medium in powder or gel form and [~~to~~] enclose the body in a zippered plastic or rubber pouch prior to burial or other disposal.

[~~(13) Dead human bodies donated to the State Anatomical Board shall be embalmed as required by the State Anatomical Board and where conflicting requirements exist, those requirements of the State Anatomical Board shall prevail.~~]

(16) If a donated body is embalmed under Texas Health and Safety Code Chapter 691, the Commission's applicable anatomical donation rules under 22 TAC Chapter 206 govern to the extent of any conflict with this section.

(17) [~~(14)~~] Embalmers shall treat and maintain [~~All~~] bodies [~~should be treated~~] in a [~~such~~] manner [~~and maintained in such an atmosphere as~~] to prevent [~~avoid~~] infestation by vermin, maggots, ants, and other insects; however, should these conditions occur, embalmers shall treat the body [~~should be treated~~] with an effective vermicide and/or insecticide to eliminate these conditions.

(18) [~~(15)~~]A [~~No~~] licensed establishment or licensed embalmer that accepts a [~~shall take into its or the embalmer's care any dead human~~] body for embalming must make [~~without exerting~~] every professional effort [~~effort,~~] and use [~~employing~~] every possible technique or chemical [~~chemical,~~] to achieve the highest level of disinfection. [~~disinfecting.~~]

(19) [~~(16)~~] Nothing in this section shall be interpreted to prohibit the use of supplemental or additional procedures or chemicals which are known to and accepted in the funeral service profession and which are not specifically mentioned in this subsection.

(b) Minor variations in these procedures shall be permitted as long as they do not compromise the purpose of this rule as stated in subsection (a) of this section.

(c) The licensed embalmer who performs an embalming procedure must complete and sign a case report by the date of disposition. The report must contain all the information required by the Commission's case-report form, and the embalmer must ensure the information is accurate and legible. A funeral establishment may use an alternate form if it contains all required information and the performing embalmer's signature. The completed report must be retained for two years after the procedure.

[~~(c) All embalming case reports must contain, at a minimum, all the information on the case-report form promulgated by the Commission. Funeral establishments may use other forms, so long as the~~

forms contain all the information on the promulgated form. A case report shall be completed for each embalming procedure not later than the date of disposition of the body which was embalmed. The embalmer shall ensure that all information contained in the case report is correct and legible. The completed form shall be retained for two years following the procedure date. The embalming case report must be completed and signed by the licensed embalmer who performed the embalming procedure.]

(d) Nothing in this section shall be interpreted to require embalming if a family member or the person responsible for making arrangements for final disposition does not authorize embalming.

§203.33. Required Documentation for Embalming.

(a) If permission to embalm is oral, the funeral establishment must maintain for two years written documentation of the name of the person authorizing embalming, that person's relationship to the deceased, and the time permission was obtained.

(b) When oral or written permission to embalm cannot be obtained from the person authorized to make funeral arrangements, the funeral establishment must maintain for two years written documentation of the efforts taken as mandated by Occupations Code §651.457 to obtain permission to embalm.

(c) If [In cases where] a medical examiner [Medical Examiner] or [Justice] justice of the peace gives [Peace has given permission to] a funeral establishment permission to take custody of a body, the receiving [funeral] establishment may not embalm the body until the person authorized to make [responsible for making] arrangements for final disposition gives [has given] permission. Taking custody under [Nothing in] this subsection does not authorize the receiving [shall be construed as allowing a funeral] establishment to initiate contact with that person. [the person authorized to make funeral arrangements.]

(d) Authorization to Embalm Form.

(1) When written authorization to embalm is obtained, the family member or person responsible for final disposition arrangements who gives the authorization must sign the Commission's Authorization to Embalm Form.

[(1) If embalming is performed, the Commission promulgated Authorization to Embalm Form must be signed by a family member or the person responsible for making arrangements for final disposition when written authorization is secured.]

(2) The Commission's Authorization to Embalm Form [may] must not be altered and must be used in its adopted form. A copy of this form may be obtained from the Commission and may be reproduced by a licensed funeral establishment.

(e) When a mortuary student who is not a provisional licensee assists a licensed embalmer, the funeral establishment, the embalmer, or both must have the written consent required by Texas Occupations Code §651.407 at the time of embalming. A copy of the consent must be retained as required by that section.

[(e) If a mortuary student who is not a provisional licensee is to assist the licensed embalmer, the authorization pursuant to Occupations Code § 651.407 must be in the possession of the funeral establishment and/or embalmer at the time of the embalming. A copy of the mortuary student authorization shall be retained according to Occupations Code § 651.407.]

(f) Nothing in this rule diminishes the requirement of the establishment to abide by the Federal Trade Commission funeral rule regarding embalming disclosures. In the event of a conflict between this rule and the Federal Trade Commission funeral rule, the Federal Trade Commission funeral rule prevails.

§203.35. Location of Retained Records.

(a) Licensees shall maintain for a minimum of two years all [All] records required for retention by Occupations Code Chapter 651 and Rules of the Commission [Commission, will be maintained for a minimum of two years] within the physical confines of the licensed establishment where the funeral arrangements were made. The records must be made available to the person responsible for making arrangements for final disposition during regular business hours. Copies must be provided upon request to the Commission [during the course of an investigation] or its staff. [inspection.]

(b) Any licensed establishment may submit a petition to the Commission requesting an exemption to the portion of subsection (a) of this section which requires that retained records be kept within the physical confines of the licensed funeral establishment where the funeral arrangements were made. Each petition will clearly state:

(1) a brief explanation of the problem(s) created by maintaining the records at that location;

(2) the rationale [rational] or justification for the granting of the exemption;

(3) the specific remedy requested, including the alternative location selected;

(4) assurances that the records of the different establishments will not be commingled [comingled] and the Commission will be able to easily access all records by name of the establishment, name of individual, or by date of service.

(c) The Executive Director may grant the request only if the alternative location is a funeral establishment [is] within 100 miles of the other funeral establishment and both have the same owner.

(d) The Executive Director will advise the licensed establishment in writing of the action taken. An applicant for an exemption may appeal to the Commissioners, in writing, the Executive Director's denial of the request for an exemption. The Commissioners' decision is final and not subject to judicial review.

(e) A funeral establishment may [is authorized to] maintain its records in a digital or electronic format as long as the establishment has the ability to print the records at that establishment.

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604856
Maria Haynes
Executive Director
Texas Funeral Service Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 936-2488

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SUBCHAPTER C. ENFORCEMENT

22 TAC §§203.40 - 203.43

(Editor's note: In accordance with Texas Government Code, §2002.014, which permits the omission of material which is "cumbersome, expensive, or otherwise inexpedient," the figure in 22 TAC §203.43 is not included in the print version of the

Texas Register. The figure is available in the on-line version of the November 27, 2026, issue of the Texas Register.)

The Texas Funeral Service Commission (Commission or TFSC) proposes amendments to 22 TAC §203.40, Complaints, §203.41, Investigations, and §203.42, Notice and Hearings, in Chapter 203, Subchapter C, Enforcement. The proposal retitles §203.42 as Notice of Alleged Violation and Contested Cases. The proposal also amends §203.43, Administrative Penalties and Sanctions, by replacing the schedule attached to that section.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. As part of its review of Chapter 203 under Texas Government Code §2001.039, the Commission has assessed whether the reasons for initially adopting the rules continue to exist and has determined that they do. The proposed amendments update the rules to reflect current law and practice. The Texas Funeral Service Commission proposes amendments to 22 TAC §§203.40-203.42 to clarify how the commission receives, investigates, and resolves complaints and how it handles notices of alleged violation and contested cases. The amendments update procedures tied to specific staff positions with duties assigned to the Commission and authorized personnel. The changes are intended to make the enforcement process easier for complainants and respondents to follow and to align it with Texas Occupations Code Chapter 651 and the Administrative Procedure Act, Texas Government Code Chapter 2001. The updated penalty and sanctions schedule identifies the class assigned to each listed violation, cites the applicable statute or rule, and shows the penalty range and available sanctions for each class. This gives regulated persons and the public a clearer basis for understanding the consequences of noncompliance.

SECTION-BY-SECTION SUMMARY

§203.40. Complaints. The proposed amendment clarifies who may be the subject of a complaint. It retains the two-year filing period and deletes the provision allowing the Executive Director to accept a late complaint if the complainant shows good cause. The amendment also deletes the exception for oral complaints alleging an imminent or continuing threat to public health, safety, or welfare. The new subsection (d) requires the commission to notify the complainant and the respondent within 30 calendar days after receiving the complaint. This notice does not constitute a determination that the commission has jurisdiction over the complaint.

§203.41. Investigations. The proposed amendment requires the commission to maintain a complaint system and assigns the initial jurisdiction and violation review to a commission employee. It distinguishes administrative closure for lack of jurisdiction from dismissal after an investigation reveals no violation, which requires approval by the Executive Director or designee when dismissed by an employee. The amendment addresses confidentiality and dismissal of complaints found inappropriate or without merit. It also establishes duties to cooperate, produce lawfully requested documents, and preserve specified records upon written notice, and prohibits interference, threats, bribery, and false or misleading statements. It removes the prescribed investigation letter, 15-day response period, and investigative report.

§203.42. Notice of Alleged Violation and Contested Cases. The proposed amendment retitles the section and revises the procedures the Commission follows when it seeks enforcement action after an investigation. The amendment clarifies how the Commission gives notice, how a person may respond or request a hearing, and how the Commission resolves a case and issues a final order.

Subsections (a) and (b) require written notice of the alleged violation and distinguish the response options and deadlines for administrative penalty cases from those for other enforcement actions. In an administrative penalty case governed by Texas Occupations Code §§651.553 and 651.554, the Commission issues a preliminary report and sends it with the required notice. The person may request a hearing in writing or pay the penalty by the 30th day after the preliminary report is sent. For other enforcement actions, the person may accept the Commission's determination or request a hearing in writing within 30 days after receiving the notice, unless applicable law provides otherwise.

Subsections (c) through (e) replace the former staff-specific settlement procedures with provisions for informal hearings, formal hearings, default orders, and agreed dispositions. The commission offers an informal hearing in complaint proceedings governed by Texas Occupations Code §651.202 and gives the complainant an opportunity to explain the allegations and the affected license holder an opportunity to respond. The commission refers timely requests for a formal hearing to the State Office of Administrative Hearings (SOAH). If a person fails to respond on time and applicable law permits a default, staff may present a proposed default order with findings of fact and conclusions of law. A contested case may also be resolved by stipulation, agreed settlement, or consent order.

Subsections (f) through (h) identify the authorities governing SOAH hearings and establish procedures for commission review of a proposal for decision and for motions for rehearing, including motions concerning default orders. The commission considers the SOAH record and adopts the administrative law judge's ruling except as permitted by applicable law. The commission states the specific reason and legal basis for any change as required by law.

Subsections (i) through (k) address service, finality, and judicial review. The commission sends notices of alleged violation by certified mail and first-class mail and serves other notices, decisions, and orders as required by applicable law. The amendment provides for complaint-status and final-disposition notices, addresses post-hearing payment and judicial review in administrative penalty cases, and requires an appellant to pay the cost of preparing the agency record required by the reviewing court.

Subsection (l) retains the existing alternative dispute resolution provision. New subsection (m) allows the commission or its lawfully authorized designee to correct a clerical mistake in an order without changing the substance of the order.

§203.43. Administrative Penalties and Sanctions. The proposed amendment amends the existing figure Administrative Penalties and Sanctions Schedule. The figure organizes listed violations into Classes A through D and identifies the statutory or rule provision associated with each listed violation. It lists monetary penalty ranges of $100 to $1,500 for Class A, $1,000 to $3,500 for Class B, $2,000 to $5,000 for Class C, and $3,500 to $5,000 for Class D. The figure also identifies available sanctions by class, including refunds, reprimands, probation, suspension, or revocation, as applicable.

The schedule addresses violations involving funeral and crematory services, including licensing, consumer disclosures, recordkeeping, cooperation with investigations and inspections, care and disposition of remains, and vital statistics. The Commission

determines the amount of an administrative penalty under the factors in Texas Occupations Code §651.552.

FISCAL NOTE. Ms. Maria Haynes, Executive Director of the commission, has determined that the proposed amendments will not have an adverse economic effect on small businesses, micro-businesses, or rural communities. Accordingly, an economic impact statement and a regulatory flexibility analysis are not required under Texas Government Code §2006.002.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT. Ms. Haynes has determined that, for each year of the first five years the proposed amendments are in effect, there are no estimated additional costs or savings to state or local governments from administering or enforcing the amendments. The Commission will implement the revised Administrative Penalties and Sanctions Schedule under §203.43 using existing staff, systems, and appropriations. The proposed amendments do not assign new administrative or enforcement duties to local governments.

Ms. Haynes has also determined that there is no foreseeable increase or loss in state or local government revenue for each of those five years. The Commission evaluated the revised penalty ranges and violation classifications against its enforcement and collections history in making that determination.

LOCAL EMPLOYMENT IMPACT STATEMENT. Ms. Haynes has determined that the proposed amendments, including the revised Administrative Penalties and Sanctions Schedule under §203.43, will not affect a local economy. The amendments revise enforcement procedures and the penalties and sanctions applicable to violations. The Commission does not anticipate any resulting change in employment or staffing at regulated establishments. Accordingly, a local employment impact statement is not required under Texas Government Code §2001.022.

PUBLIC BENEFITS. Ms. Haynes has determined that, for each year of the first five years the proposed amendments are in effect, the anticipated public benefit will be clearer complaint and enforcement procedures and greater transparency about the consequences of violations. Complainants will have clearer information about when they will receive notice and how they may present their allegations. Respondents will have clearer information about how to respond to a notice of alleged violation and request a hearing.

The revised Administrative Penalties and Sanctions Schedule under §203.43 identifies the class assigned to each listed violation, the applicable statute or rule, and the penalty range and sanctions available for each class. This information will help consumers and regulated providers understand how the Commission evaluates violations and will support more consistent enforcement of requirements that protect consumers and the proper care and disposition of human remains.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL. Ms. Haynes has determined that, for each year of the first five years the proposed amendments are in effect, persons required to comply are expected to incur no additional routine compliance costs. The Commission expects regulated persons to meet the proposed records-production and preservation requirements using existing staff, records systems, and business practices.

Under proposed §203.42(k), a party seeking judicial review of a final decision or order may incur a court cost for preparing the agency record required by the reviewing court. The actual cost may vary with the size and format of the record and the work required to prepare it.

The revised Administrative Penalties and Sanctions Schedule under §203.43 changes the penalty ranges that may apply when the Commission finds a violation. Any penalty assessed will depend on the classification and circumstances of the violation and the factors in Texas Occupations Code §651.552.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES. Ms. Haynes has determined that the proposed amendments will have no adverse economic effect on small businesses, micro-businesses, or rural communities. The Commission expects regulated businesses to meet the proposed records-production and preservation requirements using existing staff, systems, and practices. In making this determination, the Commission considered the potential cost of preparing the agency record for judicial review under proposed §203.42(k) and the revised penalty ranges and sanctions under §203.43.

Accordingly, an economic impact statement and a regulatory flexibility analysis are not required under Texas Government Code §2006.002.

ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT. The Texas Funeral Service Commission has determined that the proposed amendments do not impose a new cost on regulated persons, including another state agency, a special district, or a local government. In making this determination, the Commission considered the records-production and preservation provisions, the agency record-preparation charge under proposed §203.42(k), and the revised Administrative Penalties and Sanctions Schedule under §203.43. Accordingly, no repeal or amendment of another rule is required to offset costs under Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT

Under Texas Government Code §2001.0221, the Texas Funeral Service Commission has determined that, for each of the first five years the proposed amendments to §§203.40-203.43 are in effect:

The proposed amendments will neither create nor eliminate a government program. They revise the Commission's existing enforcement program.

Implementation will require neither the creation of new employee positions nor the elimination of existing positions.

Implementation will require neither an increase nor a decrease in future legislative appropriations to the Commission.

The proposed amendments will require neither an increase nor a decrease in fees paid to the Commission.

The proposed amendments create an express duty to preserve records related to an investigation upon notice under §203.41 and establish express requirements for cooperation and records production.

The proposed amendments expand existing complaint and contested-case procedures, delete the good-cause exception for late complaints and the exception for certain oral complaints, and revise the Administrative Penalties and Sanctions Schedule under §203.43.

The proposed amendments will neither increase nor decrease the number of individuals subject to the rules. The duties under §203.41 apply to persons already subject to the Commission's

lawful authority. The proposed amendments clarify that the duties imposed apply, as statute provides, to licensees, applicants or other persons regulated by the Commission.

The Commission anticipates no positive or adverse effect on the state economy from the proposed amendments.

TAKINGS IMPACT ASSESSMENT.Ms. Haynes has determined that the proposed amendments to §§203.40-203.43 do not restrict or burden an owner's rights in private real property. The amendments revise complaint, investigation, and contested-case procedures and update the Administrative Penalties and Sanctions Schedule for violations of applicable statutes and rules. The revised schedule does not itself impose new requirements on the use of private real property. Accordingly, a takings impact assessment is not required under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES. The Texas Funeral Service Commission invites interested persons to comment on the proposed amendments to 22 TAC §§203.40-203.43. The Commission also requests information from persons required to comply with the proposed amendments and from other interested persons about the costs, benefits, or effects of the proposal, including any applicable data, research, or analysis.

The Commission welcomes information about the time or expense involved in producing and preserving records under proposed §203.41, the cost of preparing the agency record for judicial review under proposed §203.42(k), and the potential effects of the revised Administrative Penalties and Sanctions Schedule under §203.43. The Commission also welcomes information about effects on small businesses, micro-businesses, and rural communities. When possible, identify the provision addressed and explain the basis for any estimate.

Submit written comments and information by email to info@tfsc.texas.gov or by mail to Maria Haynes, Executive Director, Texas Funeral Service Commission, 1801 Congress Avenue, Suite 11.800, Austin, Texas 78701. The Commission must receive comments and information no later than 30 days after the date the proposal is published in the *Texas Register*.

STATUTORY AUTHORITY. The Texas Funeral Service Commission proposes amendments to 22 TAC §§203.40-203.43 under Texas Occupations Code §651.152, which directs the Commission to adopt rules and establish procedures necessary to administer and enforce Chapter 651, and §651.202, which directs the Commission to adopt rules governing the receipt, investigation, and disposition of complaints, including informal and formal hearing procedures. The amendments are also proposed under Texas Government Code §2001.004, which requires state agencies to adopt rules describing available formal and informal procedures, and §2001.177, which authorizes an agency to require by rule that a party appealing a final contested-case decision pay all or part of the cost of preparing the agency record for the reviewing court.

The amendment to §203.43 is also proposed under Texas Occupations Code §651.5515, which requires the Commission to adopt penalty guidelines and maintain a chart of common violations, penalty amounts, and factors used to grade violations. Texas Occupations Code §651.552 establishes the permissible range of administrative penalties and the factors the Commission must consider when determining a penalty.

The statutory provisions affected by the proposed amendments are Texas Occupations Code §§651.202, 651.203, 651.2035, 651.506, 651.551, 651.5515, and 651.552-651.555, and Texas Government Code Chapter 2001, including §§2001.004, 2001.054, 2001.056, 2001.058, 2001.141-2001.146, and 2001.177.

§203.40. Complaints.

(a) Any person may file a written complaint with the Commission against a person who is engaged in an activity or business regulated by the Commission concerning alleged violations of any statute over which the Commission has regulatory authority as well as the Rules of the Commission. A written complaint must be filed within two years of the event giving rise to the complaint. [~~Complaints filed after the above stated period will not be accepted by the Commission unless the complainant can show good cause to the Executive Director for the late filing.~~]

(b) The Commission's complaint form provides space for the following information:

(1) the name and business address of the licensee or establishment complained of;

(2) the time and place where the act(s) occurred;

(3) the nature of the act(s) set out in sufficient detail to enable the Commission to investigate the complaint and the licensee or establishment complained of to identify the incident and prepare a response; and

(4) the names, addresses, and telephone numbers of any persons who witnessed the acts.

(c) The complaint form asks the complainant to provide any pertinent contracts, photographs, letters, advertisements or other documents that show evidence of the alleged violation.

(d) All complaints must be in writing.[~~, other than complaints alleging conduct which, if true, would constitute an imminent or continuing threat to the public health, safety, or welfare. These latter complaints must be reduced to writing by the Complainant before the conclusion of the investigative process.~~]

(e) The commission must provide notice to the complainant and to the respondent that a complaint has been filed within 30 calendar days after receipt of the complaint. This notice is not a determination that the commission has jurisdiction over the complaint.

§203.41. Investigations.

(a) The commission shall maintain a system to promptly and efficiently act on complaints filed with the commission as provided by Texas Occupations Code §651.202.

(b) [~~(a)~~] Upon receiving a written complaint, a commission employee shall [~~the complaint is given a complaint number and assigned to an Investigator for review. The Investigator performs an initial analysis to~~] determine if the Commission has [~~complaint has~~] jurisdiction over the person who committed the acts that are the subject of the complaint and whether a violation of a statute or rule may have occurred.

(c) [~~(b)~~] If a commission employee [~~the Investigator, in consultation with the Staff Attorney,~~] determines that the Commission does not have jurisdiction over [~~of~~] the matter or that the complaint does not reflect a violation, the case will be [~~is~~] administratively closed with the approval of the Executive Director or designee.

[~~(c) If the Investigator, in consultation with the Staff Attorney, determines that the Commission has jurisdiction of the matter and that~~

~~the complaint reflects a violation, the Investigator will send a summary of the complaint to the Respondent(s) along with a letter which outlines the alleged violation(s) and requests a written narrative response and relevant documents. A redacted copy of the complaint may be provided to the Respondent upon request. The Respondent(s) has 15 days from receipt of the letter to respond.]~~

(d) The commission shall maintain confidentiality of the complaint, investigation, and disciplinary information as provided by Texas Occupations Code §651.2035, any specific program statute, or other applicable law.

~~[(d) In the course of the investigation or upon request of the Staff Attorney, the Investigator may request additional information from the Complainant, the Respondent(s), or any witnesses.]~~

(e) If the commission determines at any time that an allegation made or formal complaint submitted by a person is inappropriate or without merit, the commission shall dismiss the complaint.

~~[(e) The Investigator will prepare an Investigative Report (Report) for the Staff Attorney's review. The Report must contain the Investigator's findings and any applicable administrative penalties or license sanctions based upon the Administrative Penalties and Sanctions Schedule under §203.43 of this title.]~~

(f) A license holder, applicant, or other person must cooperate in the performance of an inspection and in an investigation of a complaint conducted by a commission employee or designated representative of the commission.

(g) A license holder, applicant, or other person must make available to the commission employee or designated representative all records, notices, and other documents requested by the commission employee or designated representative.

(h) A license holder, applicant, or other person is prohibited from:

(1) avoiding, refusing to permit, or failing to cooperate in an investigation and/or inspection conducted by a commission employee or designated representative;

(2) interfering with an investigation conducted by a commission employee or designated representative;

(3) threatening, intimidating, or attempting to bribe a commission employee or designated representative in connection with an investigation and/or an inspection; or

(4) making deceptive statements, untrue statements, misrepresentations, or fraudulent representations to the commission.

(i) Upon receiving notice of an alleged violation, a licensed holder, applicant, or another person is prohibited from destroying any records reasonably related to the alleged violation until the conclusion of the investigation.

§203.42. Notice of Alleged Violation and Contested Cases ~~[Notice and Hearings]~~.

(a) The commission shall send a written notice of alleged violation if the commission seeks an enforcement action against a person for an alleged violation of the statutes and rules of the commission or its programs. The notice of alleged violation shall satisfy the requirements of the preliminary report in accordance with Texas Occupations Code §§ 651.553 and 651.554. ~~[Upon Staff Attorney approval of an Investigative Report (Report) finding a violation has occurred, the Investigator will send the Respondent(s) a copy of the Report and a letter notifying the Respondent(s) of the Commission's determination to assess an administrative penalty and/or sanction the Respondent's license(s).]~~

(b) Within 30 days after receiving a notice of alleged violation, unless applicable law provides otherwise, the person may either: accept the commission's determination and recommended administrative penalty, sanction, or both; or make a written request for a hearing on the commission's determination. There is a rebuttable presumption that notice is received three days after the notice was mailed. Failure to respond within 30 days waives the right to a hearing and requires payment of the assessed penalty and/or enforcement of the license sanction. ~~[The Respondent(s) has 30 days from receipt of the letter to respond to this correspondence. The Respondent(s) can accept the Commission's determination or can request to settle the case by formal or informal methods.]~~

(c) If the person accepts the commission's determination, the commission and the person shall enter into an agreement as prescribed under subsection (e) of this section. If a timely written request for a hearing is made, the commission shall refer the commission's determination to SOAH for a hearing. ~~[Informal methods to settle a case can include the following options:]~~

~~[(1) Informal negotiation with the Staff Attorney or]~~

~~[(2) Informal settlement conference with Executive Director, Staff Attorney and Investigator. Additionally, the complainant shall be given an opportunity to present his/her allegations at the settlement conference.]~~

(d) If the person neither accepts the commission's determination nor requests a hearing, the commission may propose entry of a default order against the person, unless otherwise provided by applicable law. The staff may present to the commission or the executive director a proposed default order containing findings of fact and conclusions of law. The commission or executive director shall sign the default order unless the person: ~~[If the Respondent accepts the Commission's determination to assess an administrative penalty and/or license sanction or if a settlement is reached via informal methods, the Respondent shall pay the penalty or shall enter into an Agreed Order with the Commission which is signed by the Executive Director. Once an Agreed Order is signed or the penalty is paid, the case is closed.]~~

(1) accepts the commission's determination and enters into an agreement as prescribed under subsection (e) of this section; or

(2) makes a written request for a hearing on the commission's determination, in which case the commission shall refer its determination to SOAH for a hearing.

(e) Disposition by agreement of any contested case may be made by stipulation, agreed settlement, or consent order, unless precluded by law. The commission may designate its presiding officer or the executive director to adopt or reject stipulations, settlement agreements, or consent orders. Parties agreeing to disposition by agreement shall prepare written stipulations, consent order, or settlement agreement, containing proposed findings of fact and conclusions of law, which shall be signed by all the agreeing parties and their designated representatives. Upon receipt of the written stipulations, consent order, or settlement agreement the executive director or the commission may: ~~[If no resolution is reached as outlined by subsection (d) of this section, the Respondent is sent a Notice of Hearing and Complaint and the Commission sets the case on the SOAH Docket for a hearing before a SOAH Administrative Law Judge (ALJ).]~~

(1) adopt the written stipulations, consent order, or settlement agreement and issue a final order;

(2) reject the written stipulations, consent order, or settlement agreement and remand the contested case for a hearing before SOAH;

(3) reject the written stipulations, consent order, or settlement agreement and order further investigation by the commission; or

(4) take such other action as the executive director or the commission find just.

(f) Contested case hearings at SOAH are governed by Texas Government Code, Chapter 2001 and the SOAH rules under 1 TAC Chapter 155. Proposed decisions for contested cases issued by a SOAH ALJ shall be brought before the commission for decision, in accordance with the APA. [~~Once the ALJ renders a Proposal for Decision (PFD), the PFD is presented to the Commissioners at the Commission's next regularly scheduled meeting.~~]

(g) A party may only present the sworn testimony and the information provided during the SOAH hearing or admitted into the SOAH record, including filings of the parties, exceptions, depositions, and the responses. No new testimony, witnesses, or information shall be allowed after SOAH submits the case to the commission for consideration. The Commissioners may accept, reject, or modify the PFD by Commission Order.

(h) A person may submit a motion for rehearing to reconsider a decision of the commission in a contested case or reconsider a default order entered by the executive director. A motion for rehearing must identify with particularity findings of fact or conclusions of law that are the subject of the motion and any evidentiary or legal ruling claimed to be erroneous. The motion must also state the legal and factual basis for the claimed error. A motion for rehearing shall be filed and handled in accordance with Texas Government Code, Chapter 2001, Subchapter F. The commission or the executive director may rule on a motion for rehearing. [~~The Respondent can either accept the Commission's Order, or after exhausting all administrative remedies, the Respondent can appeal the Commission's decision by filing suit for judicial review in accordance with Government Code, Chapter 2001, and Occupations Code §651.555.~~]

(i) Notices of Alleged Violation must be sent [~~All correspondence~~] to the Respondent(s) [~~will be sent~~] by both certified mail and first class mail to the Respondent's address of record on file with the Commission. Any notice or document served upon a person is prima facie evidence of receipt if it is directed to the person's last known complete, correct address as shown by the commission's records. This presumption is rebuttable. Failure to claim properly addressed certified or registered mail will not support a finding of non-delivery.

(j) A decision or order in a contested case shall be in writing and shall be signed by the commission, the executive director, or both, as applicable. A decision or order in a contested case is final in accordance with Texas Government Code §2001.144. The Commission will notify the Complainant of the final disposition of the complaint.

(k) An appeal of a final decision or order in a contested case shall be filed and handled in accordance with Texas Government Code, Chapter 2001, Subchapter G. A party who appeals a final decision or order in a contested case must pay all costs for the preparation of the original or a certified copy of the record of the agency proceeding that is required to be transmitted to the reviewing court. [~~Government Code §§2001.051 - 2001.103; Occupations Code §651.506; and SOAH's Rules of Practice and Procedure (Tex. Admin. Code, Title 1, §155) govern hearings held at SOAH.~~]

(l) The Commission's Alternative Dispute Resolution Policy and Procedure Rule, found in §207.1 of this title, and SOAH's Rules of Practice and Procedure, Tex. Admin. Code, Title 1, §155.351, govern ADR with Commission staff and mediation at SOAH.

(m) The executive director may enter a corrected order to correct a clerical mistake in an order of the commission.

§203.43. Administrative Penalties and Sanctions.

(a) - (d) (No change.)

(e) The Commission may require a licensee to issue a refund to a consumer in lieu of or in addition to assessing an administrative penalty. The amount of a refund ordered under this section may not exceed the actual amount paid by the person to the license holder.
Figure: 22 TAC §203.43(e)
[~~Figure: 22 TAC §203.43(e)~~]

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

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Maria Haynes
Executive Director
Texas Funeral Service Commission
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For further information, please call: (512) 936-2488

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CHAPTER 205. CREMATORIES

22 TAC §§205.9, 205.11, 205.15

The Texas Funeral Service Commission (Commission or TFSC) proposes amendments to 22 TAC §§205.9, 205.11, and 205.15, in Chapter 205, Crematories.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. As part of its review of Chapter 205 under Texas Government Code §2001.039, the Commission has assessed whether the reasons for initially adopting the rules continue to exist and has determined that they do. The proposed amendments update the rules to reflect current law and practice. The proposed amendments result from the Texas Funeral Service Commission's review of 22 TAC Chapter 205 under Texas Government Code §2001.039. The amendments clarify how the annual report late fee is calculated, identify the documents a crematory establishment must have before cremation, and clarify the restrictions on simultaneous cremation.

Specifying calendar days gives crematory establishments a clear basis for calculating the existing $100 daily late fee. Stating the documentation requirements directly and using the statutory term "authorizing agent" help crematory establishments verify that they have the required documents before proceeding. Adding a knowledge requirement to the simultaneous-cremation provision clarifies when that provision applies and expressly preserves the prohibition in Texas Health and Safety Code §716.154 on knowingly cremating remains containing a pacemaker or other potentially hazardous implant.

SECTION-BY-SECTION SUMMARY

§205.9. Crematory Annual Report, Extensions for Good Cause, and Late Fees. The proposed amendment specifies that the existing $100 late fee applies for each calendar day a crematory establishment fails to submit its annual report if the Executive Director has not granted an extension. The amendment also corrects the name of the Texas Occupations Code in subsection (a).

§205.11. Prerequisites for Cremation. The proposed amendment requires a crematory establishment to have a signed cremation authorization form and a death certificate or other death record indicating that the remains may be cremated before proceeding with cremation, subject to exceptions under Texas Health and Safety Code Chapter 716. The amendment uses the statutory term "authorizing agent" to identify who must sign the authorization form and clarifies that a burial transit permit may serve as another death record under subsection (a)(2).

§205.15. Commingling Limitations. The proposed amendment adds a knowledge requirement to subsection (b), which prohibits simultaneous cremation of deceased human remains with items of value, pacemakers, or other potentially hazardous implants that the authorizing agent disclosed on the cremation authorization form and did not authorize for cremation with the remains. The amendment confirms that Texas Health and Safety Code §716.154 continues to prohibit knowingly cremating remains containing a pacemaker or other potentially hazardous implant, regardless of the authorizing agent's consent.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT. Ms. Maria Haynes, Executive Director of the Commission, has determined that, for each of the first five years the proposed amendments are in effect, administering or enforcing the amendments will have no foreseeable effect on state or local government costs or revenues. The amendments retain the existing $100 daily late fee and specify that the fee is calculated using calendar days.

LOCAL EMPLOYMENT IMPACT STATEMENT. Ms. Haynes has determined that the proposed amendments will not affect a local economy. Accordingly, a local employment impact statement is not required under Texas Government Code §2001.022.

PUBLIC BENEFITS. Ms. Haynes has determined that, for each of the first five years the proposed amendments are in effect, the anticipated public benefit will be clearer and more predictable requirements for crematory establishments and the families they serve. Specifying calendar days will help crematory establishments calculate the late fee for overdue annual reports. Clarifying which documents must be in the establishment's possession before cremation, and who must sign the authorization form, will help establishments and families identify what is needed before cremation can proceed. The amendments will also clarify when the restrictions on simultaneous cremation apply and reinforce the existing statutory prohibition on knowingly cremating remains containing a pacemaker or other potentially hazardous implant.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL. Ms. Haynes has determined that, for each of the first five years the proposed amendments are in effect, persons required to comply with the amendments are expected to incur no additional economic costs. The amendments retain the existing $100 daily late fee for overdue crematory annual reports and specify that the fee is calculated using calendar days. The Commission expects crematory establishments to comply with the documentation and commingling provisions using existing forms and procedures.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES. Ms. Haynes has determined that the proposed amendments are not expected to have an adverse economic effect on small businesses, micro-businesses, or rural communities. The Commission expects affected crematory establishments to comply using their existing reporting, documentation, and authorization procedures. The amendments retain the $100 daily late fee for overdue crematory annual reports and specify that the fee is calculated using calendar days. Accordingly, an economic impact statement and a regulatory flexibility analysis are not required under Texas Government Code §2006.002.

ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT. The Commission has determined that the proposed amendments are expected to impose no additional costs on regulated persons, including any state agency, special district, or local government required to comply. The amendments retain the existing $100 daily late fee for overdue crematory annual reports, and the Commission expects crematory establishments to comply with the documentation and commingling provisions using existing forms and procedures. Based on these findings, no repeal or amendment of another rule is required to offset costs under Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. Under Texas Government Code §2001.0221, the Texas Funeral Service Commission has determined that, for each of the first five years the proposed amendments are in effect, the amendments will have the following effects.

(1) The amendments will neither create nor eliminate a government program.

(2) Implementation will neither create nor eliminate Commission employee positions.

(3) Implementation will require neither an increase nor a decrease in future legislative appropriations to the Commission.

(4) The amendments will neither increase nor decrease fees paid to the Commission. The existing $100 daily late fee for overdue crematory annual reports will remain in place, and §205.9 will specify that the fee is calculated using calendar days.

(5) The amendments will create no new regulation.

(6) The amendments will limit the application of §205.15(b) by adding a knowledge requirement. The amendments will have no other effect on the scope of existing regulations and will repeal none.

(7) The amendments will neither increase nor decrease the number of individuals subject to the rules.

(8) The Commission anticipates no positive or adverse effect on the state economy.

TAKINGS IMPACT ASSESSMENT. The Commission has reviewed the proposed amendments under Texas Government Code Chapter 2007. The amendments address late fees for overdue crematory annual reports, documentation required before cremation, and restrictions on simultaneous cremation. The Commission has determined that the amendments will not restrict or limit an owner's rights in private real property or result in a taking under Chapter 2007. Accordingly, a written takings impact assessment is not required under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES. The Commission invites any interested person to comment on the proposed amendments to 22 TAC Chapter 205. The Commission also requests information from persons required to comply with the proposed amendments and from other interested persons about the costs, benefits, or effects of the amendments, including relevant data, research, or analysis.

The Commission welcomes information about how calendar-day counting may affect late fees for overdue crematory annual reports and how the proposed documentation and commingling provisions may affect crematory establishments and the families they serve. Please identify the section your submission addresses and explain the basis for any estimate.

Submit written comments and information by email to info@tfsc.texas.gov or by mail to Maria Haynes, Executive Director, Texas Funeral Service Commission, 1801 Congress Avenue, Suite 11.800, Austin, Texas 78701. The Commission must receive submissions no later than 30 days after the date this proposal is published in the *Texas Register.* For further information, call (512) 936-2474.

STATUTORY AUTHORITY. The Commission proposes amendments to 22 TAC §§205.9, 205.11, and 205.15 under Texas Occupations Code §651.152, which directs the Commission to adopt rules necessary to administer and enforce Chapter 651.

The amendment to §205.9 is also proposed under Texas Occupations Code §651.658. Subsection (e) governs extensions for filing crematory annual reports for good cause, and subsection (f) requires the Commission to establish by rule the amount of the daily late fee.

The amendments to §205.11 and §205.15 are also proposed under Texas Health and Safety Code §716.002, which authorizes the Commission to adopt rules governing the cremation of human remains consistent with Chapter 716 and Texas Occupations Code Chapter 651.

The proposed amendments affect Texas Occupations Code §651.658 and Texas Health and Safety Code §§716.001, 716.051, 716.153, and 716.154. The amendments also reference the burial transit permit requirement in 25 TAC §181.2.

§205.9. Crematory Annual Report, Extensions for Good Cause, and Late Fees.

(a) The annual report required by Texas Occupations [~~Occupation~~] Code §651.658 shall cover the period from January 1 to December 31.

(b) The report must be postmarked by January 30 of the year following the year for which the report is due.

(c) The Executive Director shall grant an extension for filing the annual report for no more than 60 days upon proof of good cause.

(d) Good cause for purposes of subsection (c) of this section is an event beyond the control of the crematory owner or operator that prevents the owner or operator from timely completing and filing the annual report.

(e) Requests for extensions of time to file the annual report based on good cause will not be approved if received by the Commission later than January 15 following the year for which the report is due.

(f) A $100 late fee will be imposed for each calendar day a crematory establishment fails to submit the annual report if the Executive Director has not granted an extension of time for filing the report. The Commission has no authority to waive or reduce the late fee.

§205.11. Prerequisites for Cremation.

(a) Except as otherwise provided by Texas Health and Safety Code Chapter 716, a crematory establishment may not cremate deceased human remains until it has in its possession the following documents: [~~The following documents are required to cremate deceased human remains:~~]

(1) a cremation authorization form signed by an authorizing agent [~~the person responsible for making arrangements for final disposition~~]; and

(2) a death certificate or other death record indicating that the deceased human remains may be cremated.

(b) A burial transit permit is required under 25 TAC §181.2 and may be considered another [~~other~~] death record under subsection (a)(2) of this section.

§205.15. Commingling Limitations.

(a) A crematory establishment may not simultaneously cremate the deceased human remains of more than one person in the same cremation chamber unless authorized by the authorizing agent of each deceased person in a cremation authorization form or other written document.

(b) A crematory establishment may not knowingly simultaneously cremate deceased human remains with items of value, pacemakers, or other potentially hazardous implants that are specifically disclosed by the authorizing agent on the cremation authorization form and are not authorized by the authorizing agent to be cremated with the deceased human remains. This subsection does not authorize cremation prohibited by Texas Health and Safety Code §716.154.

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

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CHAPTER 209. ETHICAL STANDARDS FOR PERSONS LICENSED BY THE COMMISSION

22 TAC §209.1

The Texas Funeral Service Commission (Commission or TFSC) proposes amendments to 22 TAC §209.1, Ethical Standards, in Chapter 209, Ethical Standards for Persons Licensed by the Commission.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. As part of its review of Chapter 209 under Texas Government Code §2001.039, the Commission has assessed whether the reasons for initially adopting the rules continue to exist and has determined that they do. The proposed amendments update the rules to reflect current law and practice. The amendments state more directly the standards for performing licensee duties and revise the standards for statements, disclosures, and conduct. Clearer standards will help licensees understand their responsibilities and help consumers recognize conduct they may wish to report to the Commission.

SECTION-BY-SECTION SUMMARY

§209.1(a). *General Competence*. The proposed amendment states more directly that a licensee must know and comply with applicable federal and state laws, rules, codes, and procedures

established by the Commission. It restates the duty to exercise reasonable judgment and skill in performing all duties and work and removes the phrase "as a licensee" from that duty.

§209.1(b). *Negligent or Incompetent Conduct*. The proposed amendment expressly prohibits licensees from performing their duties negligently or incompetently and requires them to act honestly, with integrity, and in a trustworthy manner. It removes the citation to Texas Occupations Code §651.459 from the rule text. That statute continues to apply according to its terms.

§209.1(c). *Integrity.* Paragraph (1) replaces the general honesty and trustworthiness clause with a requirement to make statements only in an objective and truthful manner. The paragraph retains the duty to avoid misrepresentation and deceit and expressly prohibits fraudulent, deceitful, or misleading oral or written assertions. Paragraph (2) restates the prohibition on threats, coercion, or extortion in more direct terms.

§209.1(d). *Compliance Duty.* The proposed amendment states directly that a licensee must comply with applicable federal and state laws, rules, and codes.

§209.1(e). *Specific Rules of Conduct.* Paragraph (2) removes the phrase "where applicable" from the disclosure requirement. Paragraph (4) clarifies that the duty to account for and remit property belonging to others applies when the property comes into the licensee's possession. Paragraph (5) revises the prohibition on participating in a plan, scheme, or arrangement that attempts to evade or evades applicable laws or Commission rules and removes the knowledge qualifier tied to an evasive purpose. Paragraph (6) prohibits providing inaccurate, deceitful, or misleading information to the Commission or a consumer and removes the knowledge qualifier and the express limitation to conduct while performing as a licensee. Paragraph (7) applies the prohibition on dishonesty, misrepresentation, or fraud to conduct in the practice of the licensee's profession.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT. Ms. Maria Haynes, Executive Director of the Commission, has determined that, for each of the first five years the proposed amendments to 22 TAC §209.1 are in effect, administering and enforcing the amendments will have no foreseeable effect on costs or revenues for state or local governments. The Commission expects to administer and enforce the amendments using existing staff and resources. The proposed amendments do not change Commission fees or assign new duties to local governments.

LOCAL EMPLOYMENT IMPACT STATEMENT. Ms. Haynes has determined that the proposed amendments to 22 TAC §209.1 are not expected to affect any local economy. The amendments address the conduct of existing licensees and do not change staffing requirements for funeral service establishments. Accordingly, a local employment impact statement is not required under Texas Government Code §2001.022.

PUBLIC BENEFITS. Ms. Haynes has determined that, for each of the first five years the proposed amendments to 22 TAC §209.1 are in effect, the anticipated public benefit will be clearer standards for professional conduct and greater protection against inaccurate, deceitful, or misleading information. Clearer standards for competent and honest service will help consumers understand what to expect from licensees when making funeral arrangements and recognize conduct they may wish to report to the Commission. The amendments will also help licensees understand their responsibilities when providing pricing, documentation, and other information to consumers.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL. Ms. Haynes has determined that, for each of the first five years the proposed amendments to 22 TAC §209.1 are in effect, persons required to comply with the proposal are expected to incur no additional economic costs. The Commission expects licensees to meet the revised disclosure and accuracy requirements using their existing procedures for preparing, reviewing, and providing information to consumers and the Commission. The proposed amendments do not increase Commission fees or require licensees to add staff or purchase equipment or software.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES. Ms. Haynes has determined that the proposed amendments to 22 TAC §209.1 are not expected to have an adverse economic effect on small businesses, micro-businesses, or rural communities. The Commission expects affected businesses, including those serving rural communities, to comply with the revised disclosure and accuracy requirements using existing staff and procedures. The proposed amendments do not increase Commission fees or assign new duties to rural municipalities. Accordingly, an economic impact statement and a regulatory flexibility analysis are not required under Texas Government Code §2006.002.

ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT. Ms. Haynes has determined that the proposed amendments to 22 TAC §209.1 are expected to impose no additional costs on regulated persons, including any state agency, special district, or local government required to comply. The Commission expects licensees to meet the revised disclosure and accuracy requirements using existing staff and procedures. Based on the fiscal findings in this notice, the Commission is not required to repeal or amend another rule to offset costs under Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. Under Texas Government Code §2001.0221, the Texas Funeral Service Commission has determined that, for each of the first five years the proposed amendments to 22 TAC §209.1 are in effect:

The proposed amendments will neither create nor eliminate a government program.

Implementation will neither create nor eliminate Commission employee positions.

Implementation will require neither an increase nor a decrease in future legislative appropriations to the Commission.

The proposed amendments will neither increase nor decrease fees paid to the Commission.

The proposed amendments revise an existing rule and will not create a new regulation.

The proposed amendments will expand certain requirements and limit one provision of the existing rule. Section 209.1(e)(2) removes the phrase "where applicable" from the disclosure requirement. Section 209.1(e)(6) removes the knowledge qualifier and the express limitation to conduct while performing as a licensee. Section 209.1(e)(5) replaces the provision addressing participation in an arrangement with an evasive purpose with language addressing attempted or actual evasion. The proposed amendments will not repeal an existing regulation.

The proposed amendments will neither increase nor decrease the number of individuals subject to the rule.

The Commission anticipates no positive or adverse effect on the state economy. The Commission expects affected licensees to comply using existing staff and procedures.

TAKINGS IMPACT ASSESSMENT. The Commission has determined that the proposed amendments to 22 TAC §209.1 will not affect any interest in private real property or restrict an owner's right to use or retain private real property. The amendments address licensee conduct, including professional competence, consumer disclosures, and the accuracy of information provided to consumers and the Commission. The proposed amendments will not result in a taking under Texas Government Code Chapter 2007. Accordingly, a written takings impact assessment is not required under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES. The Commission invites any interested person to comment on the proposed amendments to 22 TAC §209.1. The Commission also requests information from persons required to comply with the proposed amendments and from any other interested person about the costs, benefits, or effects of the proposal, including any applicable data, research, or analysis.

The Commission welcomes information about whether the proposed disclosure and accuracy requirements in §209.1(e)(2) and (6) would change how licensees prepare, review, or provide information, and whether those changes would involve additional time or expense or improve the information consumers receive. Please identify the provision your submission addresses and explain the basis for any estimate.

Submit written comments and information by email to info@tfsc.texas.gov or by mail to Maria Haynes, Executive Director, Texas Funeral Service Commission, 1801 Congress Avenue, Suite 11.800, Austin, Texas 78701. The Commission must receive submissions no later than 30 days after the date this proposal is published in the *Texas Register*. For further information, call (512) 936-2474.

STATUTORY AUTHORITY. The Texas Funeral Service Commission proposes amendments to 22 TAC §209.1 under Texas Occupations Code §§651.151(a) and 651.152. Section 651.151(a) requires the Commission to establish standards of proficiency, professionalism, ethics, and qualifications for individuals licensed under Chapter 651. Section 651.152 requires the Commission to adopt rules, establish procedures, and prescribe forms necessary to administer and enforce Chapter 651.

The proposed amendments affect Texas Occupations Code Chapter 651, including §651.459, which governs other unethical conduct in providing funeral services.

§209.1. Ethical Standards.

(a) The licensee shall be knowledgeable of and comply with [~~adhere to~~] all applicable federal and state laws, rules, codes, and all procedures established by the Commission. A [~~It is the obligation of the~~] licensee shall [~~to~~] exercise reasonable judgment and skill in the performance of all duties and work performed. [~~as a licensee.~~]

(b) A licensee shall not perform [~~who performs~~] his or her duties in a negligent or incompetent manner. A licensee shall [~~, or does not~~] perform his or her duties with honesty, integrity, and [~~or~~] in a trustworthy manner. [~~violates Texas Occupation Code §651.459.~~]

(c) Integrity.

(1) A licensee shall issue statements only in an objective [~~be honest~~] and truthful manner [~~trustworthy in the performance of all duties~~] and [~~work performed as a licensee and shall~~] avoid misrepresentation and deceit in any fashion, whether by acts of commission or omission. The issuance of oral or written assertions shall not be:

(A) fraudulent;

(B) deceitful; or

(C) misleading.

(2) A licensee shall not engage [~~refrain from engaging~~] in acts or practices that constitute threats, coercion, or extortion.

(3) A licensee shall respect a consumer's right of personal choice and decisions with regard to making arrangements.

(d) A [~~The primary duty of the~~] licensee shall comply [~~is to ensure compliance~~] with all applicable federal and state laws, rules, and codes. The licensee's position should be clear to all parties concerned while in the performance of all duties and work performed as a licensee.

(e) Specific Rules of Conduct.

(1) A licensee shall provide services to client families without regard to religion, race, color, national origin, sex, sexual orientation or disability.

(2) A licensee shall provide to consumers and prospective consumers[~~, where applicable,~~] all statutorily required documentation, pricing information, and any other information concerning funerals, cremations, burials, pricing, merchandise, and services, including a consumer brochure and retail price list, in a manner which is neither unfair nor deceptive.

(3) A licensee shall protect from disclosure confidential information pertaining to the deceased or the family of the deceased.

(4) A licensee shall account properly for and remit any monies, documents, or personal property that belongs to others that comes into the licensee's [~~licensees'~~] possession.

(5) A licensee shall not participate[~~, whether individually or in concert with others,~~] in any plan, scheme, or arrangement that attempts to evade [~~attempting~~] or evades [~~having as its purpose, which he/she knew or should have known was the evasion of~~] any provision of the laws or the rules of the Commission.

(6) A licensee shall not provide information that is [~~he or she knew or should have known was~~] inaccurate, deceitful, or misleading to the Commission or a consumer. [~~while performing as a licensee.~~]

(7) A licensee shall not engage in any activity that constitutes dishonesty, misrepresentation, or fraud in the practice of their profession. [~~while performing as a licensee.~~]

(8) A licensee shall not solicit business or offer inducement to secure or attempt to secure business except where authorized by law.

(9) A licensee shall not violate any statute, ordinance, or regulation affecting the handling, custody, care or transportation of a decedent.

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604855

Maria Haynes
Executive Director
Texas Funeral Service Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 936-2488

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PART 23. TEXAS REAL ESTATE COMMISSION

CHAPTER 535. GENERAL PROVISIONS SUBCHAPTER F. REQUIREMENTS FOR EDUCATION PROVIDERS, COURSES AND INSTRUCTORS FOR QUALIFYING EDUCATION

22 TAC §535.65

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

The changes to §535.65 are made as a result of capabilities within the agency's license management system (the REALM Portal). The REALM Portal allows for more efficiencies and automation in the processing of qualifying coursework. To allow for that automation, this rule currently requires that either the student's license number or application number be included on the course completion record for qualifying *real estate* courses completed on or after October 1, 2026. The proposed change expands the requirement to all qualifying courses, rather than just qualifying real estate courses, and modifies the effective date of the requirement to courses completed on or after April 1, 2027. For clarity, this means that courses completed prior to this date would be subject to current requirements.

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

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

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

Except as noted below, for each year of the first five years the proposed amendment is in effect, the amendment will not:

-create or eliminate a government program;

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

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

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

-create a new regulation;

-expand, limit or repeal an existing regulation;

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

-positively or adversely affect the state's economy.

The proposed rule does make the requirement to provide either the license or application number a requirement across qualifying course types.

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

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

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

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

(a) Responsibility of Providers.

(1) A provider is responsible for:

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

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

(C) verifying instructor qualification, performance and attendance;

(D) proper examination administration;

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

(F) maintaining student course completion records;

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

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

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

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

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

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

(b) Use of Qualified Instructor.

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

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

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

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

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

(c) Advertising.

(1) The following practices are prohibited:

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

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

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

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

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

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

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

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

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

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

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

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

(d) Pre-enrollment agreements for approved providers.

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

(A) the tuition for the course;

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

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

(D) the attendance requirements;

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

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

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

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

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

(e) Refund of fees by approved provider.

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

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

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

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

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

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

(f) Course materials.

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

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

(g) Presentation of courses.

(1) Classroom Delivery.

(A) The location for the course must:

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

(ii) be adequate for the class size;

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

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

(B) The provider must:

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

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

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

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

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

(D) Makeup Session for Classroom Courses.

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Notwithstanding paragraphs (3) and (4) of this subsection, all units must be presented within the prescribed topic.

(h) Course examinations.

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

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

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

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

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

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

(i) Subsequent final course examination.

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

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

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

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

(j) Course completion records.

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

(2) The course completion record shall include:

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

(B) the student's name;

(C) the course title;

(D) course number;

(E) the number of credit hours;

(F) the course delivery method;

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

(H) for [~~qualifying real estate~~] courses completed on or after April 1, 2027 [~~October 1, 2026~~], one of the following issued by the Commission:

(i) the student's license number, or

(ii) if no license number has been issued by the Commission, the student's application number.

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

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

(k) Instructor and course evaluations.

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

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

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

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

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

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

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

(2) A provider shall maintain financial records sufficient to reflect at any time the financial condition of the school.

(3) A school's financial statement and balance sheets must be available for audit by Commission staff, and the Commission may require presentation of financial statements or other financial records.

(4) All records may be maintained electronically but must be in a common format that is legible and easily printed or viewed without additional manipulation or special software.

(m) Changes in ownership or operation of an approved provider of qualifying courses.

(1) An approved provider shall obtain the approval of the Commission at least 30 days in advance of any material change in the operations of the provider by submitting the Qualifying Education Provider Supplement Application using a process acceptable to the Commission, including but not limited to changes in:

(A) operations or records management; and

(B) the location of the main office and any other locations where courses are offered.

(2) An approved provider requesting approval of a change in ownership shall provide all of the following information or documents using a process acceptable to the Commission:

(A) an Education Provider Application reflecting all required information for each owner and the required fee;

(B) a Principal Information Form for each proposed new owner who holds at least 10% interest in the school;

(C) financial documents to satisfy standards imposed by §535.61 of this subchapter (relating to Approval of Providers of Qualifying Courses), including a $20,000 surety bond for the proposed new owner; and

(D) business documentation reflecting the change.

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

Filed with the Office of the Secretary of State on November 9, 2026.

TRD-202604772
Abby Lee
General Counsel
Texas Real Estate Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 936-3057

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TITLE 26. HEALTH AND HUMAN SERVICES

PART 1. HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 3. MEMORANDUM OF UNDERSTANDING WITH OTHER STATE AGENCIES

SUBCHAPTER A. MEMORANDA OF UNDERSTANDING FOR LONG-TERM CARE

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes the repeal of §3.1, concerning Services in Hospitals and Long-term Care Institutions; and §3.3, concerning Assisted Living Facilities; and proposes new §3.1, concerning Assisted Living Facilities.

BACKGROUND AND PURPOSE

The purpose of this proposal is to update the rules related to the memoranda of understanding (MOU) for long-term care. The functions for the agencies described in §3.1 have all been consolidated under HHSC, and an MOU is not needed for departments within the same agency. Additionally, §3.3 is not necessary because it only restates agency responsibilities outlined in an existing MOU. The proposed new section requires HHSC, the Texas Department of Family and Protective Services (DFPS), and the Texas Office of the Attorney General (OAG) to participate in the MOU.

SECTION-BY-SECTION SUMMARY

The proposed repeal of §3.1 deletes the rule as no longer necessary because the content of the rule outlined requirements for departments that are now within HHSC.

Proposed new §3.1 references the existing MOU between HHSC, DFPS, and OAG instead of restating agency responsibilities in rule.

The proposed repeal of §3.3 deletes the rule as no longer necessary because the content of the rule restated agency responsibilities in the existing MOU among HHSC, DFPS, and the OAG.

FISCAL NOTE

Victoria Grady, Deputy Chief, Finance, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

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

(1) the proposed rules will not create or eliminate a government program;

(2) implementation of the proposed rules will not affect the number of HHSC employee positions;

(3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;

(4) the proposed rules will not affect fees paid to HHSC;

(5) the proposed rules will create a new regulation;

(6) the proposed rules will repeal existing regulations;

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

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

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

Victoria Grady has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities. The rules do not require small businesses, micro-businesses, and rural communities to alter current business practices, and there are no new fees imposed.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

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

PUBLIC BENEFIT AND COSTS

David Kostroun, Chief Regulatory Services Officer, has determined that for each year of the first five years the rules are in effect, the public benefit will be improved clarity regarding the respective responsibilities of the agencies subject to the statutorily required MOU.

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

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

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

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 26R020" in the subject line.

26 TAC §3.1, §3.3

STATUTORY AUTHORITY

The repeals are authorized by Texas Government Code §524.0005, which provides that the executive commissioner of HHSC shall adopt rules to implement the executive commissioner's authority under Subchapter A of Texas Government Code Chapter 524 with respect to the health and human services system, and §524.0151, which provides that the executive commissioner of HHSC shall adopt rules necessary to carry out the commission's duties under Texas Government Code Chapter 531 and adopt rules and policies for the operation and provision of services by the health and human services agencies; and Texas Health and Safety Code §247.025 and §247.026, which provide that the executive commissioner of HHSC shall adopt rules necessary to implement Texas Health and Safety Code Chapter 247 and to ensure the quality of care and protection of assisted living facility residents' health and safety, respectively.

The repeals implement Texas Government Code §524.0005 and §524.0151 and Texas Health and Safety Code §247.025 and §247.026.

§3.1. Services in Hospitals and Long-term Care Institutions.

§3.3. Assisted Living Facilities.

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

Filed with the Office of the Secretary of State on November 12, 2026.

TRD-202604809
Stephanie Tourk
Deputy Chief Counsel
Health and Human Services Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 438-3161

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26 TAC §3.1

STATUTORY AUTHORITY

The new section is authorized by Texas Government Code §524.0005, which provides that the executive commissioner of HHSC shall adopt rules to implement the executive commissioner's authority under Subchapter A of Texas Government Code Chapter 524 with respect to the health and human services system, and §524.0151, which provides that the executive commissioner of HHSC shall adopt rules necessary to carry out the commission's duties under Texas Government Code Chapter 531 and adopt rules and policies for the operation and provision of services by the health and human services agencies; and Texas Health and Safety Code §247.025 and §247.026, which provide that the executive commissioner of HHSC shall adopt rules necessary to implement Texas Health and Safety Code Chapter 247 and to ensure the quality of care and protection of assisted living facility residents' health and safety, respectively.

The new section implements Texas Government Code §524.0005 and §524.0151 and Texas Health and Safety Code §247.025 and §247.026.

§3.1. Assisted Living Facilities.

The Texas Health and Human Services Commission, the Texas Office of the Attorney General, and the Texas Department of Family and Protective Services are required under the provisions of Texas Health and Safety Code §247.046 and §247.061 to enter into a memorandum of understanding (MOU) regarding the respective responsibilities, procedures, enforcement needs, and plans for correcting violations or deficiencies in assisted living facilities. The existing MOU implements the requirements in Texas Health and Safety Code §247.046 and §247.061 and is adopted by reference. Copies of the MOU are available upon request from the Regulatory Services Division, Health and Human Services Commission, P.O. Box 13247, Austin, Texas 78711-3247.

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

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Stephanie Tourk
Deputy Chief Counsel
Health and Human Services Commission
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 438-3161

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TITLE 28. INSURANCE

PART 1. TEXAS DEPARTMENT OF INSURANCE

CHAPTER 1. GENERAL ADMINISTRATION
SUBCHAPTER J. PROCEDURES FOR VENDOR PROTESTS OF PROCUREMENTS

The Texas Department of Insurance (TDI) proposes to repeal 28 TAC §1.1101 and amend 28 TAC §§1.1102 - 1.1107, concerning vendor protest rules under general administration. The repeal and amendments update the vendor protest rules for consistency with the rules of the Texas Comptroller of Public Accounts (comptroller) in accordance with Government Code §2155.076 and clarify the vendor protest process.

EXPLANATION. Section 1.1101 is proposed for repeal because it describes the purpose of the statute, which is not necessary to implement the rule.

Government Code §2155.076 provides that an agency's rules must be consistent with the comptroller's rules and must include standards for maintaining documentation about the purchasing process. Amendments to §§1.1102 - 1.1107 are necessary to be consistent with the comptroller's rules in 34 TAC §§20.531 - 20.538, including changes made to those rules since TDI's rules were adopted, and ensure clarity in the vendor protest process. Additional filing requirements regarding the relevant facts and desired subsequent action are incorporated into the rules to match the comptroller's rules.

The proposed language clarifies how to send the original protest and appeal. The original protest deadline is broken up into different timelines depending on whether the protest surrounds the solicitation, award, or notice of award to provide deadlines that are clearer.

In the event of an appeal, the amendments include allowing the commissioner's designee to give the final determination to provide administrative flexibility and ensure timely response to the appeal. The proposal removes language that an untimely protest or appeal could be considered if it raises issues significant to the department's procurement practice or procedures. Instead, the commissioner or any TDI staff may address any concerns raised in an untimely protest independent from the protest process.

Lastly, language is removed from the section addressing retention of documents to clarify that the retention schedule adheres to schedule requirements and procedures for documentation as required by Government Code §2155.076(a).

These amendments make the rules consistent with the comptroller's current rules in compliance with Government Code §2155.076, ensure clarity in the vendor protest process, and conform the rules to current agency usage and style guidelines.

Descriptions of the sections' proposed repeal and amendments follow.

Repeal of §1.1101. The repeal of §1.1101 removes a section that is unnecessary and duplicative of the statute. This section discusses the purpose of the subchapter, but it is not necessary to carry out the rule.

Section 1.1102. The proposed amendments to §1.1102(a) specify that a vendor protest must be sent to the addresses published on the department's website or in the solicitation. Subsection (a) language related to the deadline to file is moved to subsection (c) and clarified there. In subsections (b)(1) and (b)(2), the terms "provisions" and "procedures" are rewritten to remove the parenthesis for readability. Subsection (b)(3) amendments add new subparagraphs (A) - (C). These subparagraphs require documents that are sufficient to verify that the protest is filed timely and to incorporate descriptions regarding the adverse impacts when writing the statement of facts in the protest. New paragraph (6) adds an additional requirement for an explanation of the action requested by the protester. Existing subsection (b)(6) is redesignated as subsection (b)(7). New subsection (c) adds three separate deadlines related to the solicitation, award, and notice of award. Existing subsection (c) is redesignated as subsection (d).

Section 1.1103. The amendments to §1.1103 add subsection (b), which states the chief financial officer may dismiss the protest if it is not timely or does not meet the requirements of §1.1102 of this title (relating to Filing of Protest) unless good cause for delay is shown under §1.1105 of this title (relating to Failure to File Timely). Subsequent subsections are redesignated accordingly. In redesignated subsection (c), a proposed amendment removes a reference to the appeal as being "to the commissioner," to avoid confusion with the process set out in §1.1102.

Section 1.1104. Amendments to §1.1104 specify that an appeal must be sent to the addresses published on the department's website or in the solicitation in subsection (a), consistent with the proposed amendments to §1.1102. In addition, the term "working days" is changed to "business days" to make the rule consistent with common usage. In subsection (b), amendments clarify that while the appealing party is required to send copies to all interested parties, they are not required to be mailed. In subsection (c), the statement that the commissioner's designee will prepare and submit a written recommendation regarding the appeal is removed because it is unnecessary to address this as a rule provision. In subsection (d), an amendment clarifies that the final decision regarding the appeal may be issued by the commissioner or the commissioner's designee.

Section 1.1105. The amendment to §1.1105 removes language stating that an untimely protest or appeal could be considered if the commissioner determines that it raises issues significant to the department's procurement practice or procedures. The language is removed because it is unnecessary, as the commissioner could make a determination that significant issues related to the department's practices or procedures establish good cause, without this provision.

Section 1.1106. The amendments to §1.1106 clarify that the department will not award a contract upon the timely filing of a protest or appeal, but the solicitation may still proceed. An amendment also lowercases "State."

Section 1.1107. The amendments simplify §1.1107 while maintaining that department will adhere to its document retention schedule requirements.

For consistency with the current agency drafting style, the word "shall" is replaced with "will" throughout the section.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Tricia Schulze, procurement director of the Administrative Operations Division, has determined that during each year of the first five years the sections as proposed are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the sections as proposed, other than that imposed by statute. Ms. Schulze made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the sections as proposed.

Ms. Schulze does not anticipate any measurable effect on local employment or the local economy as a result of this proposal because the sections as proposed are consistent with the comptroller's rules.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the sections as proposed are in effect, Ms. Schulze expects that enforcing the proposal will have the public benefit of ensuring that TDI's rules conform to Government Code §2155.076 and that the vendor protest and appeals process is clear.

Ms. Schulze expects that the sections as proposed will not increase the cost of compliance with Government Code §2155.076 because they do not impose requirements beyond those in statute. Any potential costs are attributable to §2155.076, which requires TDI's rules to be consistent with the comptroller's rules and not TDI's own additional provisions. The proposed amendments ensure that TDI's rules align with 34 TAC §§20.531 - 20.538 of the comptroller's rules. As a result, the cost associated with the proposed rule does not result from the enforcement or administration of the proposed amendments.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the sections as proposed will not have an adverse economic effect on small or micro businesses, or on rural communities. The sections as proposed are made to be consistent with the comptroller's rules, as required by Government Code §2155.076. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does not impose a possible cost on regulated persons.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the sections as proposed are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will not create a new regulation;

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

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

- will not positively or adversely affect the Texas economy.

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

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on January 6, 2027. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2877 at 10:00 a.m., central time, on December 11, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin Texas 78701 in Room 2.035. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

28 TAC §1.1101

STATUTORY AUTHORITY. TDI proposes the repeal of §1.1101 under Government Code §2155.076 and Insurance Code §36.001.

Government Code §2155.076 requires that each state agency by rule develop and adopt protest procedures for resolving vendor protests regarding purchasing issues that are consistent with the comptroller's rules.

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

CROSS-REFERENCE TO STATUTE. The proposed repeal of §1.1101 implements Government Code §2155.076.

§1.1101. Purpose.

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

Filed with the Office of the Secretary of State on November 12, 2026.

TRD-202604813
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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28 TAC §§1.1102 - 1.1107

STATUTORY AUTHORITY. TDI proposes amendments to §§1.1102 - 1.1107 under Government Code §2155.076 and Insurance Code §36.001.

Government Code §2155.076 requires that each state agency by rule develop and adopt protest procedures for resolving vendor protests regarding purchasing issues that are consistent with the comptroller's rules. The rules must also include standards for maintaining documentation about the purchasing process to be used in the event of a protest.

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

CROSS-REFERENCE TO STATUTE. The amendments to §§1.1102 - 1.1107 implement Government Code §2155.076.

§1.1102. Filing of Protest.

(a) An actual or prospective bidder, offeror, proposer, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a contract by the department may file a written protest. The protest must be sent [~~addressed~~] to the addresses published on the department's website or in the solicitation. [~~the department's chief financial officer and must be received no later than 10 working days after the aggrieved person knows, or should have known, of the occurrence of the action which is protested.~~]

(b) The protest must be sworn and must contain [~~the following~~]:

(1) a specific identification of the statutory or regulatory provisions [~~provision(s)~~] or procedures [~~procedure(s)~~] that the action complained of is alleged to have violated;

(2) a specific description of each act alleged to have violated the statutory or regulatory provisions [~~provision(s)~~] or procedures [~~procedure(s)~~] identified in the protest;

(3) a precise statement of the relevant facts:[~~;~~]

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

(B) a description of the resulting adverse impact to the protesting party and

(C) a description of the adverse impact to the department and the state;

(4) an identification of the issue or issues to be resolved;

(5) argument and authorities in support of the protest; [and]

(6) an explanation of the subsequent action the vendor is requesting; and

(7) [(6)] a statement that copies of the protest have been mailed or delivered to all other identifiable interested parties.

(c) To be considered timely, the protest must be received:

(1) by the deadline for responses to the solicitation, if the protest concerns the solicitation documents or actions associated with the publication of solicitation documents;

(2) by the date of the award of a contract resulting from the solicitation, if the protest concerns the evaluation or method of evaluation for a solicitation; or

(3) no later than 10 calendar days after the notice of award, if the protest concerns the award.

(d) [(c)] Upon written request, the department will furnish to the requestor a list of interested parties, as reflected in the records of the department's Purchasing and Contracts Administration Division.

§1.1103. Review of Protest and Determination.

(a) Upon receipt of a timely protest that conforms with this subchapter, the chief financial officer will review the protest. The chief financial officer may request written responses to the protest from any department staff and may request from department staff any and all documents related to the protest. The chief financial officer may solicit written responses to the protest from other interested parties.

(b) The chief financial officer may dismiss a protest that does not meet the requirements of §1.1102 of this title (relating to Filing of Protest) and will dismiss a protest that is not timely filed, unless good cause for the delay is shown under §1.1105 of this title (relating to Failure to File Timely).

(c) [(b)] The chief financial officer has the authority, prior to an appeal, [to the Commissioner,] to settle and resolve the dispute concerning the solicitation or award of the contract.

(d) [(c)] If the protest is not resolved by mutual agreement, the chief financial officer will issue a written determination on the protest.

(1) If the chief financial officer determines that no violation of rules, statutes, or procedures has occurred, the chief financial officer will [shall] inform the protesting party and all other interested parties of that determination by letter, which must set forth the reasons for the determination.

(2) In a case where a contract has not been awarded, if the chief financial officer determines that a violation of the rules, statutes, or procedures has occurred, the chief financial officer will [shall] inform the protesting party and all other interested parties of that determination by letter. The letter must set forth the reasons for the determination and may set forth any appropriate remedial action.

(3) In a case where a contract has been awarded, if the chief financial officer determines that a violation of the rules, statutes, or procedures has occurred, the chief financial officer will [shall] inform the protesting party and other interested parties of that determination by letter. The letter must set forth the reasons for the determination and may set forth any appropriate remedial action, which may include canceling or voiding the contract to the extent allowed by law.

§1.1104. Appeal.

(a) A protesting party or any other interested party who is not satisfied with the determination of the chief financial officer may appeal the determination to the commissioner. The appeal must be submitted to the addresses published on the department's website or in the solicitation [in writing to the commissioner and received in the office of the commissioner] no later than 10 business [working] days after the date of the chief financial officer's determination. The appeal is limited to review of the chief financial officer's determination.

(b) The appealing party must [mail or] deliver copies of the appeal to all other interested parties. The appeal [to the commissioner] must contain an affidavit that such copies have been provided.

(c) Upon receipt of a timely appeal that conforms with this subchapter, the commissioner may designate one or more members of the department's executive management staff or other employees of the department to review the protest, the determination of the chief financial officer, and the appeal of the determination. [The designee(s) will prepare and submit to the commissioner a written recommendation regarding the appeal.]

(d) A [The] written decision issued by [of] the commissioner or the commissioner's designee will [shall] be the final administrative action of the department regarding the protest and appeal.

§1.1105. Failure to File Timely.

Protests and appeals that are not filed timely will not be considered, unless good cause for delay is shown. [or the commissioner determines that a protest or appeal raises issues significant to the department's procurement practices or procedures.]

§1.1106. Status of Procurement During Protest and Appeal.

If the contract being protested has not been awarded, upon the timely filing of a protest or [and] appeal under these procedures, the department will [shall] not [proceed further with the solicitation or] award a [of the] contract unless the chief financial officer, in consultation with the appropriate executive management staff, makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the state [State] of Texas.

§1.1107. Retention of Document.

The department will maintain all documentation about the purchasing process [to be used in the event of a protest or appeal] in accordance with the department's retention schedule.

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

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

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CHAPTER 5. PROPERTY AND CASUALTY INSURANCE

SUBCHAPTER G. WORKERS' COMPENSATION INSURANCE

DIVISION 4. TEXAS DETAILED CLAIM INFORMATION STATISTICAL PLAN

The Texas Department of Insurance (TDI) proposes to repeal Division 4, Texas Detailed Claim Information Statistical Plan and §5.6601, concerning Texas Detailed Claim Information Statistical Plan, and replace it with new Division 4, Workers' Compensation Claim Data Reporting and §5.6601, concerning Workers' Compensation Claim Data Reporting. The proposed repeal and new division and section are necessary because the Detailed Claim Information reporting requirement under current §5.6601 is obsolete.

EXPLANATION. The proposed repeal of §5.6601 is necessary to remove obsolete and redundant reporting requirements. The National Council on Compensation Insurance (NCCI), the designated statistical agent and administrator for certain workers' compensation functions in Texas, previously required carriers nationwide to report workers' compensation data through the Detailed Claim Information (DCI) Statistical Plan. However, NCCI replaced DCI with Indemnity Data Call (IDC) reporting in 2020. As of January 1, 2024, no other state except Texas requires workers' compensation insurers to report DCI data. NCCI requires workers' compensation insurers to report IDC data under its own requirement, so Texas workers' compensation insurers are required to report very similar data to satisfy both NCCI requirements and current §5.6601.

In addition to DCI and IDC data reporting requirements, Texas workers' compensation insurers report similar claims data under TDI, Division of Workers' Compensation (DWC) electronic data interchange (EDI) rules in 28 TAC Chapter 124, Subchapter B, and Chapter 134, Subchapter I.

Because Texas workers' compensation insurers already report necessary claims information to Texas under the referenced DWC rules, TDI proposes to repeal §5.6601 and the DCI Statistical Plan that is adopted by reference.

Proposed new §5.6601 states that Texas workers' compensation insurers who report data as required under 28 TAC Chapter 124, Subchapter B, and Chapter 134, Subchapter I, satisfy the requirements under Insurance Code §2053.151 and §2053.152. Proposed new §5.6601 will lessen the amount of time and resources Texas workers' compensation insurers spend reporting duplicative data, making workers' compensation data reporting more effective and efficient in Texas. For consistency with proposed new §5.6601, TDI also proposes to change the name of 28 TAC Chapter 5, Subchapter G, Division 4 from "Texas Detailed Claim Information Statistical Plan" to "Workers' Compensation Claim Data Reporting."

Descriptions of the proposed repeal and new section follow.

Repeal of Division 4, Texas Detailed Claim Information Statistical Plan and §5.6601, Texas Detailed Claim Information Statistical Plan. TDI proposes to repeal current Division 4 of Chapter 5, Subchapter G and current §5.6601 for the reasons previously stated.

New Division 4, Workers' Compensation Claim Data Reporting and §5.6601, Workers' Compensation Claim Data Reporting. Proposed new Division 4 of Chapter 5, Subchapter G and §5.6601 replace the existing DCI reporting requirement with references to insurance carrier claim electronic data interchange reporting under 28 TAC Chapter 124, Subchapter B, and medical bill reporting under 28 TAC Chapter 134, Subchapter I.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Nicole Elliott, director and chief actuary, Property and Casualty Actuarial Office, has determined that during each year of the first five years the section as proposed is in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the section as proposed, other than that imposed by statute. Ms. Elliott made this determination because the section as proposed does not add to or decrease state revenues or expenditures, and because local and state governmental entities are only involved in enforcing or complying with the proposed repeal and new section when acting in the capacity of a workers' compensation insurance carrier. Those entities will be impacted in the same way as an insurance carrier and will realize the same benefits from the proposed repeal and new section.

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

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the section as proposed is in effect, Ms. Elliott expects that administering them will have the public benefit of ensuring that TDI's rules conform to Insurance Code §§2053.101, 2053.151, and 2053.152, and enhance regulatory efficiency.

Ms. Elliott expects that the section as proposed will decrease the cost of compliance because it removes unnecessary, obsolete, and duplicative data reporting requirements and it does not impose new requirements or impose requirements beyond those in statute because insurers already are required to report the data. It simply removes obsolete reporting requirements resulting in reduced reporting requirements for insurers.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed repeal and new section will not have an adverse economic effect on small or micro businesses, or on rural communities. The proposed repeal and new section remove unnecessary and duplicative reporting requirements resulting in reduced reporting requirements for insurers. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does not impose a possible cost on regulated persons. Therefore, no additional rule amendments are required under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the proposed repeal and new section are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will create a new regulation;

- will limit or repeal an existing regulation;

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

- will not positively or adversely affect the Texas economy.

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

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on January 6, 2027. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2875 at 10:00 a.m., central time, on December 11, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.035. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

28 TAC §5.6601

STATUTORY AUTHORITY. TDI proposes the repeal of §5.6601 under Insurance Code §§2053.101, 2053.151, 36.001, and 36.002(2)(E).

Insurance Code §2053.101 directs the commissioner to develop and periodically modify reasonable statistical plans for workers' compensation insurance companies to use in recording and reporting loss experience and other data required by TDI.

Insurance Code §2053.151 directs the commissioner to adopt rules that prescribe the information that must be reported on each workers' compensation claim and establish reporting requirements for insurance companies for workers' compensation claims.

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

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules that are appropriate to accomplish the purposes of a provision of Title 10, Subtitle E of the Insurance Code.

CROSS-REFERENCE TO STATUTE. The repeal of §5.6601 implements Insurance Code §§2053.101, 2053.151, and 2053.152.

§5.6601. Texas Detailed Claim Information Statistical Plan.

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604797
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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28 TAC §5.6601

STATUTORY AUTHORITY. TDI proposes new §5.6601 under Insurance Code §§2053.101, 2053.151, 36.001, and 36.002(2)(E).

Insurance Code §2053.101 directs the commissioner to develop and periodically modify reasonable statistical plans for workers' compensation insurance companies to use in recording and reporting loss experience and other data required by TDI.

Insurance Code §2053.151 directs the commissioner to adopt rules that prescribe the information that must be reported on each workers' compensation claim and establish reporting requirements for insurance companies regarding workers' compensation claims.

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

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules that are appropriate to accomplish the purposes of a provision of Title 10, Subtitle E of the Insurance Code.

CROSS-REFERENCE TO STATUTE. Proposed new §5.6601 implements Insurance Code §§2053.101, 2053.151, and 2053.152.

§5.6601. Workers' Compensation Claim Data Reporting.

Reporting under the following provisions satisfies the reporting requirements for workers' compensation claims in Insurance Code §2053.151, concerning Workers' Compensation Claims Reports and Information, and §2053.152, concerning Update and Transmission of Claims Reports:

(1) insurance carrier claim electronic data interchange reporting under 28 TAC Chapter 124, Subchapter B (relating to Insurance Carrier Claim Electronic Data Interchange Reporting to the Division); and

(2) medical bill reporting under 28 TAC Chapter 134, Subchapter I (relating to Medical Bill Reporting).

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604798
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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DIVISION 5. CANCELLATION, NONRENEWAL, AND DECLINATION OF WORKERS' COMPENSATION INSURANCE COVERAGE

28 TAC §5.6701, §5.6702

The Texas Department of Insurance (TDI) proposes adding new Division 5, containing new 28 TAC §5.6701 and §5.6702, concerning the collection of insurers' data on the cancellation, nonrenewal, and declination of workers' compensation coverage in Texas. Proposed new §5.6701 and §5.6702 implement House Bill 2067, 89th Legislature, 2025. New §5.6701 proposes to adopt by reference a new *Texas Declination Statistical Plan for Workers' Compensation* to inform insurers how to submit declination data required under Insurance Code §551.006. New §5.6702 clarifies that TDI will obtain cancellation and nonrenewal information required under Insurance Code §551.006 from an existing reporting requirement.

EXPLANATION. This proposal implements HB 2067 as it applies to data related to the cancellation or nonrenewal of existing workers' compensation insurance policies and the declination of applications for workers' compensation insurance. TDI is also implementing HB 2067 through the adoption of 28 TAC §5.9503 and §5.9504, effective February 4, 2026; and a proposal to amend §5.9501, published in the *Texas Register* May 22, 2026 (51 TexReg 3526).

HB 2067 amended Insurance Code Chapter 551 to require workers' compensation insurers to disclose to consumers the reasons for declining a completed and submitted application for coverage and the reasons for canceling or refusing to renew an existing policy. Insurers must then provide to TDI--at least once a quarter and in the form and manner TDI prescribes--a written statewide report summarizing the reasons for cancellation, nonrenewal, or declination that they provided to consumers under Insurance Code Chapter 551. The bill also requires TDI to post an aggregated summary of the insurer's reports on its website. To implement HB 2067 for workers' compensation coverage, TDI's workers' compensation statistical agent, the National Council on Compensation Insurance (NCCI), will collect the necessary data from insurers and provide it to TDI.

Section 5.6701. Proposed new §5.6701 adopts by reference a new statistical plan to explain to workers' compensation insurers how to report data on declination notices required under HB 2067. The *Texas Declination Statistical Plan for Workers' Compensation* requires insurers writing direct workers' compensation coverage to report declination data on a quarterly basis to NCCI. The statistical plan provides instructions for the report, the record layout, and the submission schedule.

The proposed statistical plan establishes the reporting period and codes that correspond to common reasons insurers decline a completed and submitted application for workers' compensation coverage. For each denied application, insurers must identify the most applicable reason code that corresponds with the primary reason it denied the application. Insurers must report to NCCI the number of declination notices issued for each reason code during the reporting period. If an insurer does not decline any applications within a given reporting period, the insurer must submit a report to NCCI using the "no declinations" reason code. After the data is collected from insurers, NCCI will provide the data to TDI.

Insurers should note that the reason codes in the statistical plan are provided only for use in reporting under Insurance Code §551.006. TDI expects that in notices or disclosures of reasons to consumers, as required by Insurance Code §551.002, insurers will provide a comprehensive description or explanation of the reasons for a specific declination, cancellation, or nonrenewal; the insurer should *not* rely on TDI's reason codes in its consumer notices or disclosures. TDI anticipates that reason code updates may be needed to align future data reports with the evolving insurance market, address stakeholder feedback, or improve the usefulness of collected data.

As instructed in the statistical plan, the reasons-related reporting requirements apply to all declinations starting on July 1, 2027, except for a declination of an application that was made before July 1, 2027. Reports are due quarterly, with dates specified in the statistical plan.

The proposed new rules enable TDI's posting of an aggregated summary of insurers' reports.

Section 5.6702. While HB 2067 added reporting requirements for data on cancellation and nonrenewal notices to Insurance Code §551.006, workers' compensation insurers had an existing requirement to report similar data under Labor Code §401.024, concerning Transmission of Information; §406.008, concerning Cancellation or Nonrenewal of Coverage by Insurance Company, Notice; §406.009, concerning Collecting and Maintaining Information; Monitoring and Enforcing Compliance; and 28 TAC §110.1, concerning Insurance Carrier Requirements for Notifying the Division of Insurance Coverage. The data required by the Labor Code is collected by NCCI. To avoid duplicative reporting, new §5.6702 informs workers' compensation insurers that their compliance with these Labor Code reporting requirements also satisfies the reporting requirements under Insurance Code §551.006 for cancellation and nonrenewal data. NCCI will provide TDI with the information it needs from the existing reporting to produce its summary reports.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Nicole Elliott, director and chief actuary, Property and Casualty Actuarial Office, has determined that during each year of the first five years the proposed new sections are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the proposed sections, other than that imposed by statute. Ms. Elliott made this determination because the sections as proposed do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed new sections.

Ms. Elliott does not anticipate any measurable effect on local employment or the local economy resulting from this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed new sections are in effect, Ms. Elliott expects that enforcing and administering them will have the public benefit of ensuring that TDI's rules conform to the Insurance Code as amended by HB 2067. The proposed new data reporting in the statistical plan is limited in scope and serves an important purpose: the information collected is essential to protect consumers and to provide TDI with the necessary data to evaluate market activity and track trends to determine whether agency action is necessary. Data collection under these rules is also necessary to provide TDI information needed to fulfill its requirement to post an aggregated summary of insurer reports on TDI's website, as required under Insurance Code §551.006(b).

Ms. Elliott expects that proposed new §5.6701 will impose an economic cost on persons required to comply, but §5.6702 will not.

The proposed rules establish the form and manner in which insurers regulated under Insurance Code Title 10, Subtitle E, must provide TDI, through NCCI, reports required by Insurance Code Chapter 551. Using NCCI as a statistical agent to collect the reports provides workers' compensation insurers with a uniform and consistent form and manner of reporting. This uniform and consistent form and manner of reporting will decrease insurers' compliance costs over time. Proposed new §5.6702 also limits compliance costs by leveraging the existing reporting infrastructure for cancellation and nonrenewal data, reducing reporting burdens and promoting administrative efficiency.

Although the proposed rules will not affect fees paid to TDI, NCCI does require fees from insurers. While the insurers already pay fees for the submission of data under 28 TAC §110.1, NCCI may require additional or increased fees for insurers' submission of the new data in the future. TDI considered alternative reporting methods but determined that using the NCCI reporting product that insurers already use and are familiar with would be more efficient and cost effective.

Compliance costs may include initial systems set-up and process integration. TDI anticipates that proposed new §5.6701 will require insurers to integrate the tracking, collection, and reporting of the new declination data into their current computer systems, databases, and business processes. This integration may require system modifications, the extent of which will depend on the functionality of the insurer's internal computer system. Insurers may need to ensure that their computer and database systems can perform system queries to extract the new categories of data and convert internal data and fields or codes to the prescribed formats. Costs may differ depending on how insurers choose to collect and conform the declination data to the submission requirements.

TDI anticipates that these system and process updates may require the services of computer and information system managers, database architects, database administrators, computer systems analysts, or computer programmers. While it is not feasible to determine the actual amount of time it would take these professionals to complete their respective tasks, TDI estimates that it could take each profession type 20 - 50 hours. Based on the Occupational Employment and Wage Statistics estimates for Texas published by the U.S. Department of Labor (DOL), Bureau of Labor Statistics (BLS) (May 2025; data.bls.gov/oes/#/home), the mean hourly wages for these professions are as follows: $87.26 for a computer and information system manager, $70.22 for a database architect, $54.46 for a database administrator, $56.33 for a computer systems analyst, and $48.43 for a computer programmer. The actual number, types, and cost of personnel will be determined by the insurer's existing data systems, business processes, staffing, and business decisions relating to the method of compliance.

TDI estimates that compliance review and implementation efforts may require the services of attorneys, compliance officers, office and administrative support staff, and first-line administrative supervisors. While it is not feasible to determine the actual amount of time it would take any professional to complete their respective tasks, TDI estimates that it could take each profession type 10 - 30 hours. Based on the Occupational Employment and Wage Statistics estimates for Texas (DOL, BLS; May 2025; data.bls.gov/oes/#/home), the mean hourly wages for these professions are as follows: $86.72 for a lawyer, $39.41 for a compliance officer, $21.29 for an office and administrative support worker, and $34.33 for a first-line supervisor of office and administrative support staff. The actual number, types, and cost of personnel will be determined by the insurer's existing data systems, business processes, staffing, and business decisions relating to the method of compliance.

In addition, insurers will likely incur ongoing costs for reporting the new data to NCCI on a quarterly basis. Because of automation or integration with existing systems, these ongoing costs for computer and database system updates are not expected to be significant for most insurers. Other ongoing costs might arise from data retrieval and aggregation, administrative and internal compliance review of reports, staff training, as well as collaborations with NCCI for possible data verification and error correction cycles. TDI estimates that these ongoing implementation tasks may require the services of computer and information system managers, database administrators, office and administrative support workers, and compliance officers. While it is not feasible to determine the actual amount of time it would take any professional to complete their respective tasks, TDI estimates that it could take each profession type 10 - 25 hours for each reporting period. Based on the Occupational Employment and Wage Statistic estimates for Texas (DOL, BLS; May 2025; data.bls.gov/oes/#/home), the mean hourly wages for these professions are as follows: $87.26 for a computer and information system manager, $54.46 for a database administrator, $21.29 for an office and administrative support worker, $34.33 for a first-line supervisor of office and administrative support staff, and $39.41 for a compliance officer. The actual number, types, and cost of personnel will be determined by the insurer's existing data systems, business processes, staffing and business decisions relating to the method of compliance.

Additionally, NCCI may charge additional or increased submission fees and special assessment fees for the additional data reports required under Insurance Code §551.006. NCCI does not currently plan to charge for the services under this proposed rule. Insurers that choose to report data to NCCI through an outside vendor or managing general agent would likely incur additional fees charged by those entities.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed new sections will not have an adverse impact on rural communities but may have an adverse economic effect on small or micro businesses.

TDI has determined that the proposal will not have an adverse economic impact on rural communities because the rule will apply only to insurers. As a result, and in accordance with Government Code §2006.002(c), it is not necessary for TDI to address rural communities in its regulatory flexibility analysis.

The cost analysis in the Public Benefit and Cost Note section of this proposal also applies to small and micro businesses. TDI estimates that the proposed new sections may affect 200 - 300 small or micro businesses.

This proposal's primary objectives are to implement HB 2067 and to gather essential data to assess consumers' access to the insurance market. TDI considered the following alternatives to lessen any adverse effect on small or micro businesses while meeting the proposal's objectives:

(1) Not proposing the new sections and instead collecting the needed data through ongoing data calls.

(2) Providing additional time for small or micro businesses to comply.

(3) Exempting small or micro businesses from the proposed requirements in §5.6701.

Not proposing the new sections. Not proposing the new sections would require TDI to rely on data calls to collect the data required under Insurance Code §551.006. TDI would have to issue data calls for the information at least once every quarter, for the foreseeable future, to comply with the statute, and insurers would have to respond to every data call as they are issued. This process would not be a streamlined way to collect the data for any insurer, regardless of size. A streamlined, consistent reporting process allows for cost savings to both the insurers and TDI and should yield more consistent data for better examination of experience comparisons over time. For these reasons, TDI rejected this option.

Providing additional time for small or micro businesses to comply. TDI determined that extending the compliance deadline for small or micro businesses is not supported by statute. HB 2067 took effect on January 1, 2026, and requires reporting "at least once each quarter." Providing additional time for some businesses and not others would create an unlevel playing field and provide inequitable protections for consumers depending on whether they purchase or apply for a policy offered by a small or micro business. For these reasons, TDI rejected this option.

Exempting small or micro businesses from the proposed requirements. TDI declined to exempt small or micro businesses from the sections as proposed because these businesses are required to comply with HB 2067 and the rules implementing that bill. In addition, if small or micro businesses were exempt from the proposed new reporting requirements, they would still be required to collect and report the data under HB 2067 via another method, such as responding to quarterly data calls. These alternative methods would likely be less efficient and more prone to errors. For these reasons, TDI rejected this option.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does impose a possible cost on regulated persons. However, no additional rule amendments are required under Government Code §2001.0045 because the proposed rule is necessary to implement legislation and to protect the health, safety, and welfare of Texas residents. The proposed rule implements Insurance Code §551.006, as added by HB 2067, and §38.202.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the proposed new sections are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will create a new regulation;

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

- will increase the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

Although the proposed rule will not affect fees paid to TDI, NCCI may require additional or increased fees for insurers' submission of the new data in the future. In addition, the proposed statistical plan will expand requirements for workers' compensation insurers.

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

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on January 6, 2027. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2876 at 10:00 a.m., central time, on December 11, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.035. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

STATUTORY AUTHORITY. TDI proposes new §5.6701 and §5.6702 under Insurance Code §§38.202, 38.204(a), 38.206, 38.207, 551.001, 551.006, and 36.001.

Insurance Code §38.202 allows the commissioner to, for a line or subline of insurance, designate or contract with a qualified organization to serve as the statistical agent for the commissioner to gather data relevant for regulatory purposes.

Insurance Code §38.204(a) provides that a designated statistical agent must collect data from reporting insurers under a statistical plan adopted by the commissioner.

Insurance Code §38.206 authorizes the statistical agent to collect from reporting insurers any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from that reporting insurer.

Insurance Code §38.207 authorizes the commissioner to adopt rules necessary to accomplish the purposes of Insurance Code Chapter 38, Subchapter E.

Insurance Code §551.001 authorizes the commissioner to adopt reasonable rules relating to the declination of a completed and submitted application for or the cancellation or nonrenewal of any insurance policy regulated by the department under Insurance Code Title 10, Subtitle E.

Insurance Code §551.006 authorizes the commissioner to prescribe the form and manner of an insurer's written report summarizing the insurer's reasons for declination, cancellation, or nonrenewal provided to applicants or policyholders as required by Insurance Code Chapter 551.

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

CROSS-REFERENCE TO STATUTE. Proposed new §5.6701 and §5.6702 implement Insurance Code Chapter 38, Subchapter E and Chapter 551, Subchapter A.

§5.6701. Declination Reporting.

(a) Purpose and Applicability.

(1) The purpose of this section is to establish requirements for the reporting of declination data by workers' compensation insurers under Insurance Code §551.006, concerning Report Required.

(2) Insurers writing direct workers' compensation insurance in Texas must provide required reports in accordance with the *Texas Declination Statistical Plan for Workers' Compensation*, adopted by reference in subsection (b) of this section, to the statistical agent designated under Insurance Code §38.202, concerning Statistical Agent.

(3) This section applies to all reports required to be filed for reporting periods on or after July 1, 2027.

(b) Adoption by Reference. The commissioner adopts by reference the *Texas Declination Statistical Plan for Workers' Compensation*, effective July 1, 2027. This document is published on the department's website at www.tdi.texas.gov.

§5.6702. Cancellation and Nonrenewal Reporting.

(a) Purpose and Applicability. The purpose of this section is to establish requirements for the reporting of cancellation and nonrenewal data by workers' compensation insurers under Insurance Code §551.006, concerning Report Required.

(b) Reporting Compliance. Reporting under Labor Code §406.008, concerning Cancellation or Nonrenewal of Coverage by Insurance Company; Notice; and §110.1 of this title (relating to Insurance Carrier Requirements for Notifying the Division of Insurance Coverage) fulfills the reporting of cancellation and nonrenewal data required under Insurance Code §551.006.

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

Filed with the Office of the Secretary of State on November 10, 2026.

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Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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CHAPTER 6. CAPTIVE INSURANCE

The Texas Department of Insurance (TDI) proposes to amend 28 TAC §§6.1, 6.2, 6.301, and 6.408, concerning captive insurance. The proposal makes nonsubstantive amendments to update mailing and email addresses, statutory citations, and to conform the sections to current agency drafting standards.

EXPLANATION. The amendments to §§6.1, 6.2, 6.301, and 6.408 are necessary to update addresses and statutory citations. Because TDI moved from its previous location in the William P. Hobby Building at 333 Guadalupe Street in Austin, Texas 78701 to the Barbara Jordan State Office Building at 1601 Congress Avenue in Austin, Texas 78701, references to TDI's mailing address and physical address need to be updated. As part of this update, TDI also proposes amendments to revise email addresses and other contact information to ensure that the rules have TDI's current information. The amendments also update former article citations to reference current Insurance Code citations, delete duplicative citations, and add titles to Insurance Code chapter citations to provide additional clarity. These amendments promote efficiency and effectiveness within TDI's processes, in line with the goals of its upcoming review under the Texas Sunset Act, Government Code Chapter 325.

Descriptions of the sections' proposed amendments follow.

Section 6.1. The amendment to §6.1 removes paragraph (b)(3), containing the definition of "captive management company," because it is duplicative of Insurance Code 964.001(3), which is already incorporated by subsection (a). Every subsequent definition is renumbered. The titles of cited regulations are added to existing citations throughout. "Commissioner" is lowercased in §6.1(b) to reflect current drafting standards.

Section 6.2. Amendments to §6.2 delete paragraph (3) because it is duplicative of the information that we have on the department's form or website. "Commissioner" is lowercased to reflect current drafting standards. Section 6.2(3)(B) is removed because hand delivery is a dated method that the rule does not need to address. Other nonsubstantive amendments include changes to formatting and plain language modifications to improve readability and clarify the methods by which the applications may be submitted.

Section 6.301. Amendments to §6.301 add Insurance Code Chapter 964's title and add a reference to Insurance Code Chapter 804. The amendments remove paragraphs (1) and (3) - (6) because they unnecessarily repeat statutory requirements. The existing paragraph (2) is renumbered to paragraph (1); the existing reference to §6.304 is added to paragraph (2); the existing paragraph (7) is renumbered to paragraph (3); and existing paragraph (9) is renumbered to paragraph (4).

Section 6.408. An amendment to §6.408 updates the reference to the title of 28 TAC §7.610 in subsection (b). The amendment also removes an outdated reference to Insurance Code Article 5.75-1, §(d)(3). Also, the title "Audits and Examinations" is added to the existing Insurance Code Chapter 401 citation in §6.408(a)(3)(D). An amendment in §6.408(a)(3)(G) lowercases "State."

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. David McElroy, financial analysis manager of the Financial Regulation Division, has determined that during each year of the first five years the proposed amendments are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering them, other than that imposed by statute. Mr. McElroy made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed amendments.

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

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Mr. McElroy expects that administering them will have the public benefit of ensuring that TDI's rules conform to Insurance Code Chapters 964, 401, and 803. Updating Insurance Code §§6.1, 6.2, 6.301, and 6.408 to plainly reflect appropriate contact information, accurate citations, and agency standards also benefits the public.

Mr. McElroy expects that the proposed amendments will not increase the cost of compliance because they do not impose requirements beyond those in statute.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed amendments will not have an adverse economic effect on small or micro businesses, or on rural communities. There are no changes in the proposal that impose new requirements beyond the statutes. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does not impose a possible cost on regulated persons. Therefore, no additional rule amendments are required under Government Code §2001.0045.

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

- will not create or eliminate a government program;

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

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

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

- will not create a new regulation;

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

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

- will not positively or adversely affect the Texas economy.

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

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on January 6, 2027. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2872 at 2:00 p.m., central time, on December 11, 2026. TDI will hold the public hearing both remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.035. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

SUBCHAPTER A. GENERAL MATTERS

28 TAC §6.1, §6.2

STATUTORY AUTHORITY. TDI proposes amendments to §6.1 and §6.2 and under Insurance Code §964.069 and §36.001.

Insurance Code §964.069 provides that the commissioner may adopt reasonable rules necessary to implement the purposes and provisions of Insurance Code Chapter 964.

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

CROSS-REFERENCE TO STATUTE. Sections 6.1 and 6.2 implement Insurance Code §§964.052, 964.055, 964.057, 964.060, 946.067, and 964.106.

§6.1. Definitions.

(a) The definitions in Insurance Code §964.001, concerning Definitions, apply to this chapter.

(b) The following words and terms when used in this chapter have the following meanings unless the context clearly indicates otherwise:

(1) Administrative services--Insurance-related services necessary for the operation of a captive insurance company, including[:] claims adjustment; underwriting; accounting; investment advice; risk management; regulatory compliance; compiling statistics and preparing premium, loss, and tax reports; maintaining books and records; handling reinsurance matters; and processing premiums.

(2) Annual report--The annual report includes the following information, as required in the Texas Captive Annual Report form and instructions adopted under §6.401 of this title (relating to Annual Report):

(A) the captive insurance company's financial statements, including disclosures and supporting schedules;

(B) an actuarial opinion completed by a qualified actuary that provides an opinion relating to policy reserves and other actuarial items for risks insured; and

(C) financial projections every third year, as required under §6.406 of this title (relating to Financial Projections).

[~~(3) Captive management company--A legal entity, not an individual, that has oversight responsibility for providing any administrative service to a captive insurance company.~~]

(3) [~~(4)~~] Certificate of filing--Evidence of the acceptance and filing of an instrument authorized to be filed with the Texas Secretary of State under the Business Organizations Code, Insurance Code Chapter 964, concerning Captive Insurance Companies, and this chapter.

(4) [~~(5)~~] Commissioner--The Texas Commissioner of Insurance.

(5) [~~(6)~~] Department--The Texas Department of Insurance.

(6) [(7)] General partnership--The term includes a general partnership designated as a limited liability partnership. The term does not include a limited partnership, including a limited partnership designated as a limited liability partnership.

(7) [(8)] Governing body--The individuals designated by the captive insurance company, or attorney in fact, who comprise the ultimate decision-making body of a captive insurance company, or attorney in fact, including a board of directors or officers of the captive insurance company, or attorney in fact. This definition applies to the use of the term in this chapter and the relationship of the captive insurance company, or attorney in fact, to the department. To the extent that the term has a different meaning under the Business Organizations Code related to the formation of entities and filings with the Texas Secretary of State, this definition does not apply.

(8) [(9)] Licensed attorney--A person licensed and eligible to practice law.

(9) [(10)] Qualified accountant--An independent certified public accountant or accounting firm that meets the requirements of Insurance Code §401.011, concerning Qualifications of Accountant; Acceptance of Audited Financial Report.

(10) [(11)] Qualified actuary--A person who meets the basic education, experience, and continuing education requirements set forth in the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, promulgated by the American Academy of Actuaries, and is either:

(A) a member of the American Academy of Actuaries who has demonstrated actuarial competence to the satisfaction of the commissioner [Commissioner]; or

(B) a member of the Casualty Actuarial Society.

(11) [(12)] Qualified United States financial institution--An institution that:

(A) is organized under the laws of the United States or any state of the United States;

(B) is regulated, supervised, and examined by a federal or state authority that has regulatory authority over banks and trust companies; and

(C) is approved by the commissioner [Commissioner].

(12) [(13)] Service providers--Captive management companies that provide administrative services and individuals or entities providing legal, actuarial, or auditing services.

(13) [(14)] Texas Captive Annual Report--The forms, instructions, and requirements adopted by reference in §6.401 of this title (relating to Annual Report) that are necessary for completing the annual report and other submissions under this chapter.

(14) [(15)] Ultimate controlling person--Person or persons who control a captive insurance company and who are not controlled by another person.

§6.2. Submissions and Notifications to the Commissioner and Department.

Except as otherwise provided in this chapter or the Texas Captive Annual Report, all submissions to the commissioner [Commissioner] or the department referenced in this chapter must be sent according to the information listed on [to the address and by the means specified on:]

[(1)] the applicable department form or[;]

[(2)] the department's website.[; or]

[(3) if the address is not specified:]

[(A) electronically, to Captives@tdi.texas.gov;]

[(B) by hand delivery, to Captives, Texas Department of Insurance, 333 Guadalupe, Mail Code 103-CL, Austin, Texas 78701; or]

[(C) by mail, to Captives, Texas Department of Insurance, P.O. Box 149104, Mail Code 103-CL, Austin, Texas 78714-9104.]

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

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Jessica Barta
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SUBCHAPTER D. MAINTENANCE OF A CAPTIVE INSURANCE COMPANY'S CERTIFICATE OF AUTHORITY

28 TAC §6.301

STATUTORY AUTHORITY. TDI proposes amendments to §6.301 under Insurance Code §§803.008, 964.069, and 36.001.

Insurance Code §803.008 authorizes the commissioner to adopt rules to authorize a domestic company to maintain its books and records with a nonaffiliated entity other than an agency.

Insurance Code §804.002 provides that the commissioner may adopt rules that are essential for the effective implementation of Insurance Code Chapter 804.

Insurance Code §964.069 authorizes the commissioner to adopt reasonable rules as necessary to implement the purposes and provisions of Insurance Code Chapter 964.

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

CROSS-REFERENCE TO STATUTE. Section 6.408 implements Insurance Code §§964.052, 964.054, 964.057, and 964.065.

§6.301. Ongoing Requirements.

A captive insurance company must comply with Insurance Code Chapter 964, concerning Captive Insurance Companies; Insurance Code Chapter 804, concerning Service of Process; the Business Organizations Code;[,] and this chapter, including:

[(1) providing biographical information as required under §6.303 of this title (relating to Captive Insurance Company Biographical Information);]

(1) [(2)] writing an annual premium amount of at least $100,000;

[(3) having an affiliate or ultimate controlling person with the financial wherewithal to continue placing the risk in the captive insurance company;]

[(4) complying with §6.306 and §7.1403 of this title (relating to Books and Records and Service on Domestic Insurance Companies Licensed by the State Board of Insurance and on Related Entities Authorized To Conduct Business in Texas);]

[(5) submitting annual reports and audited financial statements as described in §§6.401, 6.403, and 6.404 of this title (relating to Annual Report, Audited Financial Statements, and Captive Insurance Companies Using Other Than Calendar Year Fiscal Years);]

[(6) notifying the department of any material change in the captive insurance company's plan of operation, as described in §6.304 of this title (relating to Material Change in the Plan of Operations);]

(2) [(7)] maintaining minimum capital and surplus as established by the department;

(3) [(8)] except as provided in §6.304 of this title (relating to Material Change in the Plan of Operations) [paragraph (6) of this section], notifying the department of any change to the information provided in the application within 30 days following the change; and

(4) [(9)] timely payment of all required fees and registrations, including payments required by the Texas Secretary of State to maintain the captive insurance company in good standing.

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

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SUBCHAPTER E. FINANCIAL INFORMATION AND REPORTING

28 TAC §6.408

STATUTORY AUTHORITY. TDI proposes amendments to §6.408 under Insurance Code §§493.003, 964.066, 964.069, and 36.001.

Insurance Code §493.003 provides that the commissioner may adopt necessary and reasonable rules under Insurance Code Chapter 493 to protect the public interest.

Insurance Code §964.066 provides that the commissioner may adopt rules establishing standards to ensure that an affiliated company is able to exercise control of the risk management function of any controlled unaffiliated business to be insured by the captive insurance company.

Insurance Code §964.069 authorizes the commissioner to adopt reasonable rules as necessary to implement the purposes and provisions of Insurance Code Chapter 964.

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

CROSS-REFERENCE TO STATUTE. Section 6.408 implements Insurance Code §§493.104, 493.105, 964.056, and 964.057.

§6.408. Letters of Credit.

(a) A letter of credit must comply with this subsection to be reported as an asset of the captive insurance company.

(1) The letter of credit cannot be supported or collateralized by a guaranty of an affiliate.

(2) The beneficiary of the letter of credit must be the commissioner as beneficiary for the security of the captive insurance company's policyholders.

(3) The letter of credit must:

(A) be clean, irrevocable, and unconditional, and issued by a qualified United States financial institution;

(B) contain an issue date and stipulate that the beneficiary (the commissioner) need only draw a draft under the letter of credit and present it to obtain funds and that no other document need be presented;

(C) show only one amount on the letter of credit;

(D) be readily available for viewing by the department on request, including at any time to the department in conducting an examination under Insurance Code Chapter 401, concerning Audits and Examinations;

(E) indicate that it is not subject to any condition or qualifications outside of the letter of credit. In addition, the letter of credit itself must not contain reference to any other agreements, documents, or entities;

(F) contain a statement to the effect that the obligation of the qualified United States financial institution under the letter of credit is in no way contingent on reimbursement; and

(G) state that it is subject to and governed by either the laws of the state [State] of Texas, or the laws of the state of domicile of the issuing bank, and in the event of any conflict must specify whether the laws of Texas or the laws of the state in which the issuing bank is domiciled will apply, and all drafts drawn on the letter of credit will be presentable at an office in the United States of a qualified United States financial institution;

(4) The letter of credit must not:

(A) have a schedule of periodic payments;

(B) name any beneficiary other than the commissioner; and

(C) in aggregate of all letters of credit issued to any one captive insurer by one financial institution, exceed 10% of the financial institution's total equity capital, as shown in its most recent report of condition as filed with the appropriate federal or state financial institution regulatory agency.

(5) The term of the letter of credit must be for at least one year and must contain an evergreen clause that prevents the expiration of the letter of credit without written notice from the issuer. The evergreen clause will provide for a period of no less than 30 days' written notice to the commissioner prior to expiry date or nonrenewal.

(6) In the event a letter of credit is not renewed or replaced, the commissioner must not be prevented from withdrawing the balance of the letter of credit and placing such sums in trust to secure continuing obligations until a renewal letter of credit or a substitution in lieu thereof has been received.

(7) In the event that a letter of credit is not renewed, replaced, or is suspended, the captive insurance company and the issuing bank must give immediate notice to the commissioner of such nonrenewal, replacement, or inactive status.

(b) A letter of credit used for reinsurance purposes must meet the requirements of §7.610 of this title (relating to Letter of Credit Requirements). [~~Qualified under Insurance Code, Article 3.10, §(d)(3), or Article 5.75-1, §(d)(3)).~~]

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

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CHAPTER 31. LIQUIDATION
SUBCHAPTER C. AUDIT COVERAGES REQUIRED FOR GUARANTY ASSOCIATIONS

The Texas Department of Insurance (TDI) proposes to amend 28 TAC §§31.202 and 31.204 - 31.206, concerning audit coverages required for guaranty associations, and to repeal §31.201 and §31.207, concerning audit coverages required for guaranty associations. The amendments update the sections' citations and make plain language changes. The repealed sections are consolidated into the remaining sections.

EXPLANATION. The amendments and repeals are needed to update statutory citations made obsolete by the Texas Legislative Counsel (TLC) codification of the Insurance Code under Government Code §323.007 and update rule language to conform with current TDI plain language preferences and drafting practices. These amendments promote efficiency and effectiveness within TDI's processes, in line with the goals of its upcoming review under the Texas Sunset Act, Government Code Chapter 325.

Descriptions of the sections' proposed amendments follow.

Section 31.202. Three statutory citations that are obsolete due to the TLC's codification project are updated to Texas Insurance Code citations.

Section 31.204. The catchlines are removed in all paragraphs, four instances of "shall" are changed to "must," and the structure of the subparagraph lists under paragraphs (2), (3), and (4) are corrected to be consistent with current TDI drafting style preferences.

Section 31.205. The catchlines in all the subsections are removed; four instances of "shall" are changed to "will" or "must"; clarification that "commissioner" means commissioner of insurance; and a new subsection (d) is added, specifying that the entity required to be audited under Subchapter C is responsible for the audit's costs. A similar provision is currently included in §31.207, but that section is proposed for repeal, and this provision is proposed to be incorporated here to consolidate related provisions concerning audit into a single section.

Section 31.206. The catchlines in all the subsections are removed, three instances of "shall" are changed to "must" or "does," "Commissioner of Insurance" is lowercased, and the text "the following items" is removed in subsections (b) and (d).

Repeal of §31.201. This section is proposed for repeal because its contents are more succinctly addressed in §31.202. In addition, section 31.201 is a purpose statement with no operative effect.

Repeal of Section 31.207. This section is proposed for repeal because it contains a provision consisting of a single sentence. A subsection tracking that provision is proposed to be added to §31.205 to consolidate related provisions concerning audit into a single section.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Jamie Walker, deputy commissioner of the Financial Regulation Division, has determined that during each year of the first five years the sections as proposed are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering them, because they do not make substantive changes to the rules. Ms. Walker made this determination because the sections as proposed do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with them.

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

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the sections as proposed are in effect, Ms. Walker expects that administering them will have the public benefit of ensuring that TDI's rules conform with current agency standards and are clear, concise, and current.

Ms. Walker expects that the sections as proposed will not increase the cost of compliance with Insurance Code Chapters 462, 463, or 2602 because they do not make substantive changes to the rules. As a result, there is no cost associated with the enforcement or administration of the proposed sections.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the sections as proposed will not have an adverse economic effect on small or micro businesses, or on rural communities. The proposed sections update obsolete statutory citations and conform the sections to current TDI drafting style. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does not impose a possible cost on regulated persons.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the sections as proposed are in effect, the proposed rule:

- will not create or eliminate a government program;

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

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

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

- will not create a new regulation;

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

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

- will not positively or adversely affect the Texas economy.

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

RULE REVIEW. TDI reviewed all sections of Insurance Code Chapter 31 to assess whether the reasons for initially adopting the sections continue to exist in accordance with Government Code §2001.039. TDI determined that, in most cases, the reasons for initially adopting the sections continue to exist. In the other cases, TDI is proposing to repeal those sections. Following review, TDI determined that the reasons for adopting §31.201 and §31.207 no longer exist, so those sections will be repealed.

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal and rule review that are received by TDI no later than 5:00 p.m., central time, on January 6, 2027. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2879 at 2:00 p.m., central time, on December 11, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.035. Details of how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

28 TAC §31.201, §31.207

STATUTORY AUTHORITY. TDI proposes the repeal of §31.201 and §31.207 under Insurance Code §§462.014, 463.006, 2602.010, and 36.001.

Insurance Code §462.014 provides that the commissioner may adopt reasonable rules necessary to implement and supplement Insurance Code Chapter 462.

Insurance Code §463.006 provides that the commissioner may adopt reasonable rules necessary to carry out and supplement Insurance Code Chapter 463 and its purposes.

Insurance Code §2602.010 provides that the commissioner may adopt reasonable rules necessary to supplement and implement Insurance Code Chapter 2602.

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

CROSS-REFERENCE TO STATUTE. The proposed repeal of §31.201 and §31.207 implements Insurance Code §§462.107, 463.110, and 2602.103.

§31.201. Purpose.
§31.207. Cost of Audits.
The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Jessica Barta
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28 TAC §§31.202, 31.204 - 31.206

STATUTORY AUTHORITY. TDI proposes amendments to §§31.202 and 31.204 - 31.206 under Insurance Code §§462.014, 463.006, 2602.010, and 36.001 and Government Code §2001.039.

Insurance Code §462.014 provides that the commissioner may adopt reasonable rules necessary to implement and supplement Insurance Code Chapter 462.

Insurance Code §463.006 provides that the commissioner may adopt reasonable rules necessary to carry out and supplement Insurance Code Chapter 463 and its purposes.

Insurance Code §2602.010 provides that the commissioner may adopt reasonable rules necessary to supplement and implement Insurance Code Chapter 2602.

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

Government Code §2001.039 provides that a state agency review each of its rules every four years and either readopt, readopt with amendments, or repeal each rule.

CROSS-REFERENCE TO STATUTE. Sections 31.202 and 31.204 - 31.206 implement Insurance Code §§462.107, 463.110, and 2602.103.

§31.202. Audit Coverages Applicability.
The provisions of this subchapter apply to any guaranty association established under [~~the~~] Insurance Code Chapter 462, 463, or 2602.[~~, Articles 9.48, 21.28-C, and 21.28-D.~~]

§31.204. Nature of Audits.
Audits applicable to the guaranty associations subject to the provisions of this subchapter must [~~shall~~] take the form of financial, performance

or operational audits, and may include, but not be limited to, the types of audits which are described in paragraphs (1) - (4) of this section.

(1) Financial audits must[. ~~The financial audit shall~~] be undertaken annually by an independent certified public accountant to determine whether the financial statements of the audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles. The financial audits must [~~shall~~] be conducted in accordance with generally accepted auditing standards.

(2) [~~Compliance audit.~~] A compliance audit may be undertaken to determine whether the following objectives are being met.[:]

(A) The [~~the~~] audited entity has obligated, expended, received, and used funds in accordance with the purpose for which those funds have been authorized by law.[;]

(B) The [~~the~~] audited entity has obligated, expended, received, and used funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law on those obligations, expenditures, receipts, or uses.[;]

(C) The [~~the~~] audited entity has maintained its books, records, and accounts in a manner which accurately reflects its financial and fiscal operations relating to the obligation, receipt, expenditure, and use of funds including, but not limited to, funds collected for a public purpose.[;]

(D) The [~~the~~] audited entity has collected all revenues and receipts in accordance with the applicable laws and regulations of this state.[; ~~and~~]

(E) The [~~the~~] audited entity has properly and legally handled or administered any money, negotiable securities, or similar assets received in accordance with the entity's governing statute.

(3) [~~Economy and efficiency audit.~~] An economy and efficiency audit may be undertaken to determine whether the objectives set out in subparagraphs (A) and (B) of this paragraph are being met and such audit must [~~shall~~] make the identifications set out in subparagraph (C) of this paragraph, as follows.[:]

(A) The [~~the~~] audited entity is managing or utilizing its resources, including funds, personnel, contractors and subcontractors, consultants, procurement of professional services, property, equipment, and space, in an economical and efficient manner.[;]

(B) The [~~the~~] audited entity has presented financial, program, and statistical reports in a fair manner, and such reports contain useful data.[; ~~and~~]

(C) The [~~the~~] causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative policies and procedures, purchasing, procurement and contracting practices, organizational structure, use of personnel, contractors, equipment and other resources, have been identified.

(4) [~~Effectiveness audit.~~] An effectiveness audit may be undertaken to determine whether the following objectives are being met.[:]

(A) The [~~the~~] audited entity is attaining program objectives established pursuant to statutes and regulations, or by program criteria or program evaluation standards applicable to it, in an efficient and effective manner.[;]

(B) The [~~the~~] audited entity is contributing to achievement of those benefits intended by program design in an efficient and effective manner.[;]

(C) The [~~the~~] audited entity is discharging its duties and responsibilities under statutes and regulations or according to program performance criteria or program evaluation standards applicable to it in an efficient and effective manner.[; ~~and~~]

(D) The [~~the~~] audited entity is performing its duties and responsibilities in connection with a program which does not duplicate, overlap, or conflict with the duties, functions, and responsibilities of another entity with respect to the same program, or with another program designed and intended to be applied to the same persons served by the audited entity.

§31.205. Scope and Frequency of Audits.

(a) [~~Annual audit required.~~] Each guaranty association subject to the provisions of this subchapter must [~~shall~~] undergo an annual financial audit at the end of each calendar year as required by §31.204(1) of this title (relating to Nature of Audits).

(b) [~~Audit plan.~~] The boards of directors of each guaranty association subject to the provisions of this subchapter must [~~shall~~] annually adopt an audit plan. In developing the plan, the boards will [~~shall~~] consider utilizing the audits described in §31.204(2) - (4) of this title. The plan may be modified at the discretion of the boards. The plan and any modifications of the plan must [~~shall~~] be filed with the commissioner of insurance.

(c) [~~Commissioner may order audit.~~] No provision of this subchapter prohibits or precludes the commissioner from ordering any entity subject to the provisions of this subchapter to submit to one or more audits at a frequency determined by the commissioner, based upon facts and circumstances.

(d) The cost of audits required by this subchapter must be paid by the audited entity.

§31.206. Audit Reporting Requirements.

(a) [~~Report required.~~] A written report must [~~shall~~] be prepared in connection with any audit authorized or required pursuant to this subchapter.

(b) [~~Contents of report.~~] The written report must include a management letter containing [~~the following items~~], as applicable:

(1) the criteria selected to measure effectiveness and efficiency;

(2) internal controls;

(3) compliance with state or federal laws;

(4) conditions found by auditors and the effects of such conditions; and

(5) any recommendations for improving operations or program effectiveness.

(c) [~~Required opinion.~~] The report also must include an opinion on fair presentation of financial statements when included as part of the scope of the audit.

(d) [~~Supplemental items to be reported.~~] The auditing entity's report should also include, to the extent necessary[, ~~each of the following items~~]:

(1) an analysis of the overall performance of the entity being audited;

(2) an analysis of the audited entity's financial operations and condition; and

(3) an analysis of receipts and expenditures made by each audited entity.

(e) [~~Filing requirements for audits.~~] Copies of the auditing entity's report must [~~shall~~] be filed with the commissioner of insurance [~~Commissioner of Insurance~~] no later than 30 days after the audits are presented to the board of directors of the audited guaranty association. Any response to the report by the board of directors must be submitted to the commissioner no later than the next meeting of the board of directors.

(f) [~~Audits excluded.~~] This subchapter does [~~shall~~] not apply to audits made by the Office of the State Auditor.

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

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CHAPTER 34. STATE FIRE MARSHAL

The Texas Department of Insurance (TDI) proposes to amend 28 TAC §§34.303, 34.1301, and 34.1302 and add new §34.1001, concerning Standards and Fees for State Fire Marshal Inspections, Battery Energy Storage Facility Safety, and Scheduled Administrative Penalties. Proposed new §34.1001 is added to new Subchapter J, Battery Energy Storage Facility Safety. The proposed amendments primarily update various National Fire Protection Association (NFPA) code standards that are adopted by reference and implement the new requirements of Utilities Code Chapter 187 as specified by House Bill 3824, 89th Legislature, 2025.

EXPLANATION. Amendments to §§34.303, 34.1301, and 34.1302 and new §34.1001 are necessary to (1) update state fire marshal adopted standards for the inspection of public and private buildings; (2) implement HB 3824, to provide fire safety standards and emergency operations plans for the operation of battery energy storage facilities (BESS); and (3) implement administrative penalties related to compliance with Utilities Code Chapter 187.

TDI received comments on an informal draft and asked questions to help guide the implementation of HB 3824. The informal draft was posted on TDI's website on April 10, 2026. TDI considered those comments when drafting this proposal.

Descriptions of the sections' proposed amendments follow.

Section 34.303. Amendments to §34.303 adopt the 2024 editions of NFPA 1, Fire Code and NFPA 101, Life Safety Code, both in the 2024 edition, including all referenced publications and editions in those codes. Also, amendments make other changes to the rule text to adhere to current agency style. Specifically, the proposed amendments:

- revise references to the two applicable NFPA codes; and

- recognize the exception for BESS systems subject to Utilities Code Chapter 187 by referencing new proposed Chapter 34, Subchapter J, relating to Battery Energy Storage Facility Safety.

In addition, the proposed amendments include nonsubstantive rule drafting and formatting changes for plain language, to conform this section to the agency's current style, and to improve the rule's clarity.

Under Government Code §417.008(e), the commissioner may adopt by rule any appropriate standard developed by a nationally recognized standards-making association under which the state fire marshal may enforce state laws related to firefighting, fire prevention, and inspection of dangerous conditions. The NFPA is a nationally recognized standards-making association, and the State Fire Marshal's Office (SFMO) has relied on NFPA codes since at least the 1990s.

NFPA codes are generally updated every three or five years, depending on the revision cycle of the particular code. However, TDI has not adopted updated NFPA standards since 2023. Therefore, the proposed amendments will ensure the SFMO is using the most up-to-date NFPA codes when performing its duties under the law. NFPA codes can be accessed at: www.nfpa.org.

The adoption of NFPA 1 and NFPA 101 provides SFMO inspectors with more comprehensive standards than are currently adopted by §34.303. Both NFPA 1-2024 and NFPA 101-2024 reference NFPA 855-2023, *Standard for the Installation of Stationary Energy Storage Systems.*

Some of the changes from NFPA 1-2021 to NFPA 1-2024 include:

- strengthening and clarifying requirements for In-Building Emergency Responder Communication Enhancement Systems (11.10);

- adding new requirements for the outdoor use of electrically powered cooking appliances in residential occupancies (10.10.6);

- adding new requirements for charging of micromobility devices (10.21);

- revising requirements for listing of relocatable power taps (11.1.4);

- removing all extracts from NFPA 241 and replacing them with references to NFPA 241 (Chapter 16);

- revising classifications for mechanical refrigeration (Chapter 53); and

- updating all extracts through the Annual 2023 revision cycle.

Some changes from NFPA 101-2021 to NFPA 101-2024 include:

- adding a new provision in 18.4.3.2 (aligned with 11.8.2.3) to allow exit stairs in high-rise buildings to not be smokeproof enclosures if the building is fully sprinklered with an approved automatic system;

- referencing updated details and expanded allowances for mass timber construction in health care occupancies and special structures, which aligns with cross-referenced provisions in NFPA 5000 and section A.8.2.1.2 of NFPA 101;

- allowing for other exits associated with horizontal exits to discharge through the building where sprinklered;

- revising listing and installation requirements for two-way communications systems in areas of refuge;

- allowing for additional exit discharge through interior building areas;

- updating alcohol-based hand-rub solution dispenser and storage requirements;

- adding new requirements for inflatable amusement devices, modular rooms, and sleep pods;

- adding a smokeproof enclosure exemption for sprinklered high-rise buildings;

- adding carbon monoxide detection requirements for existing educational, new and existing day-care, new health care, new ambulatory health care, new and existing detention and correctional, existing one- and two-family dwelling, existing lodging or rooming houses, and existing apartment building occupancies;

- adding new requirements for and guidance on alternate care sites;

- revising door locking and suite supervision requirements for health care occupancies;

- adding new requirements for apartment building occupancy valet trash collection services; and

- adding automatic sprinkler system requirements for all new parking structures.

Note that the 2024 edition of both NFPA 1 and 101 reference the 2023 edition of NFPA 855, *Standard for the Installation of Stationary Energy Storage Systems.*

Section 34.1001. New §34.1001 implements HB 3824 by creating requirements that assure transparency to local communities from the BESS operator and by providing specific investigation activities for the SFMO. The purpose of the proposed new chapter is to clearly identify the use of not only the adopted codes of the SFMO but also the use of NFPA 855, *Standard for the Installation of Stationary Energy Storage Systems*, as a requirement for all battery energy storage systems with a capacity of one megawatt hour or greater.

The section proposes to adopt NFPA 855-2023, *Standard for the Installation of Stationary Energy Storage Systems*, and UL 9540A. In addition, new §34.1001 establishes criteria for determining a facility's commercial operations date for purposed of Utilities Code Chapter 187. These criteria were revised in response to comments received on the informal draft. Based on comments received on the informal draft, the proposed rule establishes criteria for determining the commercial operations date for facilities registered with ERCOT, facilities located within ERCOT region but not registered with ERCOT, facilities located outside the ERCOT region, and facilities not falling within one of the previous categories. The section also specifies that battery energy storage facilities with a capacity of one megawatt hour or greater must comply with the adopted standards.

The state fire marshal has selected NFPA 855-2023 instead of NFPA 855-2026 because, as proposed, this rule will also adopt NFPA 1-2024 and NFPA 101-2024 by reference, both of which reference NFPA 855-2023. Adopting NFPA 855-2023 provides consistency among the related NFPA codes adopted by the state fire marshal.

Section 34.1301. Amendments to §34.1301 add references to Utilities Code Chapter 187 for purposes of the subchapter.

In addition, the proposed amendments add and update references to the names of statutes and rules referenced in the section and include nonsubstantive rule drafting and formatting changes for plain language, to conform this section to the agency's current style, and to improve the rule's clarity.

Section 34.1302. Amendments to §34.1302 propose new administrative penalties for BESS. The penalties are associated with the requirements of Utilities Code §187.003, which generally pertain to the obligations an operator owes the relevant political subdivision or local first responders. Utilities Code §187.005 references the imposition of administrative penalties as specified in Government Code §417.010. Government Code §417.010 references Insurance Code Chapter 84, which states that single violation penalty generally may not exceed $25,000.

Amendments propose to add Figure: 28 TAC §34.1302(g), which adds new penalties related to BESS associated with the requirements of Utilities Code §187.003. The section also notes that, in addition to appropriate administrative penalties, BESS may also be subject to remedial action under Government Code §417.008, concerning Right of Entry; Examination and Correction of Dangerous Conditions. This reservation of authority recognizes that while penalties may be appropriate, a dangerous condition could create a situation where immediate compliance is required by order.

Additional potentially finable offenses were added in response to informal comments received. The rule proposal specifies that a penalty is incurred each day. The priority of the state fire marshal is fire protection and safety, and penalties are not intended to be used for revenue. Compliance with Utilities Code Chapter 187 and rules adopted herein is the goal.

In addition, the text in all the current figures in the section has been resized and reformatted to improve readability as well as updated to reflect current citations to the 2024 edition of NFPA 101. An administrative penalty amount has been added to a previously blank penalty amount in Figure 28 TAC §34.1302(a), regarding §34.517(b)(1), failure to abide by adopted standards or manufacturers requirements for fixed extinguishers. No other penalty amounts or penalty descriptions have been materially altered.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Kelley Stalder, State Fire Marshal's Office deputy chief of inspections, has determined that during each year of the first five years the proposed new section and amendments are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the new section and amendments other than that imposed by statute. Mr. Stalder made this determination because the proposed new section and amendments do not add to or decrease state revenues or expenditures. It may be possible that a local government would itself be a BESS operator, and to the extent that the rules and statute would apply to any BESS operator, that local government would need to comply with the new section and amendments.

Mr. Stalder does not anticipate a measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed new section and amendments are in effect, Mr. Stalder expects that enforcing and administering the sections as proposed will have the public benefit of ensuring that TDI's rules conform to Utilities Code Chapter 187 and Government Code §417.008 and §417.010. The new proposed BESS standards and updated NFPA codes will promote the health and safety of the public.

Mr. Stalder expects that the updated codes in amended §34.303 will impose an economic cost on persons required to comply with the amendments. Amendments to §34.1301 and §34.1302 sim-

ilarly implement HB 3824 and set administrative penalties that may be imposed on noncompliant BESS facilities.

Costs of Revised NFPA Codes

Mr. Stalder expects that the proposed amendments will impose an economic cost on persons required to comply with the amendments. Because of revisions in the updated codes, building owners and licensees may be required to meet more stringent or altered code requirements, and building owners and licensees may have higher costs to comply with the more recent version of the standards. However, these costs will be individualized and based on the existing condition of the building, the number of buildings affected by the updated standards, and the work processes of affected businesses. In addition, the proposed updated NFPA codes will provide for greater reduction of the risk of fire.

The NFPA offers instant digital access to NFPA codes and standards through its online service called NFPA LiNK. With NFPA LiNK, interested persons and entities can access a digital library of the current and five previous editions of NFPA codes and standards for approximately $13.99 a month for individual access or $1,259 annually for up to 10 users. However, because a free read-only version of the updated NFPA standards exists through the NFPA website, TDI has not ascribed a cost to accessing the updated codes.

Costs of proposed administrative penalties

Whether an applicable operator is required to pay an administrative penalty depends on the licensee's compliance with the current applicable regulations. The amended penalty schedules may result in some costs to noncompliant operators but will be limited to costs relating to (1) responding to the alleged violation and (2) the administrative penalty.

Cost of new BESS standards

Mr. Stalder expects that the new §34.1001 will not increase the cost of compliance for regulated persons because the amendments would not impose requirements beyond those in statute.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed new section and amendments may have an adverse economic effect on small or micro businesses, or rural communities. The cost analysis in the Public Benefit and Cost Note section of this proposal also applies to these small and micro businesses and rural communities. TDI estimates that proposed §34.303 may affect approximately 20,000 small or micro businesses and potentially any rural community that owns a building subject to the revised code requirements.

The proposed amendments to the administrative penalty schedule in §34.1302 are important to better protect the health and safety of the public. There are no regulatory alternatives to the adoption of the penalty matrix in this proposal that will sufficiently protect the health and safety of Texas citizens.

In addition, the proposed amendments to the updated fire protection standards are necessary to better protect the health and safety of the public. TDI has determined, in accordance with Government Code §2006.002(c-1), the proposal substantially contributes to the health and safety of Texas citizens by incorporating more current NFPA standards. There are no current regulatory alternatives to the adoption of the updated standards in this proposal that will sufficiently protect the health and safety of Texas citizens affected by the rules.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does impose a possible cost on regulated persons. However, no additional rule amendments are required under Government Code §2001.0045 because the proposed rules are necessary to (1) implement legislation; and (2) protect the health, safety, and welfare of the residents of this state. The proposed rule implements Utilities Code Chapter 187 as added by HB 3824, 89th Legislature, 2026. The proposed amendments will better protect the public from fires by allowing the state fire marshal to apply the most recent standards and recommendations for the inspection of buildings. Examinations conducted by the state fire marshal using these updated standards will result in better protection of individual citizens, fire fighters, buildings, and structures. In order to properly protect life and property, it is necessary that nationally recognized standards for inspection of buildings and premises be used.

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

- will not create or eliminate a government program;

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

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

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

- will create a new regulation;

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

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

- will positively affect the Texas economy.

New subchapter J creates new requirements for BESS facilities to implement HB 3824. The new proposed BESS standards and updated NFPA codes will promote the health and safety of the public.

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

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on January 6, 2027. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2880 at 2:00 p.m., central time, on December 11, 2026. TDI will hold the public hearing remotely using online resources and in person at the Barbara Jordan State Office

Building, 1601 Congress Avenue, Austin, Texas 78701 in Room 2.035. Details on how to view and participate virtually in the public hearing will be made available on TDI's website at www.tdi.texas.gov/alert/event/index.html.

SUBCHAPTER C. STANDARDS AND FEES FOR STATE FIRE MARSHAL INSPECTIONS
DIVISION 1. GENERAL PROVISIONS

28 TAC §34.303

STATUTORY AUTHORITY. TDI proposes amendments to §34.303 under Government Code §§417.005, 417.008(e), and 417.0081 and Insurance Code §36.001.

Government Code §417.005 states that the commissioner, after consulting with the state fire marshal, may adopt rules necessary to guide the state fire marshal in the performance of other duties for the commissioner.

Government Code §417.008(e) provides that the commissioner may adopt by rule any appropriate standard related to fire danger developed by a nationally recognized standards-making association.

Government Code §417.0081 provides that the commissioner, by rule, adopt guidelines for assigning potential fire safety risk to state-owned and state-leased buildings and providing for the inspection of each building to which this section applies.

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

CROSS-REFERENCE TO STATUTE. Section 34.303 implements Government Code §417.008.

§34.303. Adopted Standards.

(a) The commissioner [~~Commissioner~~] adopts by reference:

(1) NFPA 1-2024 [~~1-2021~~] Fire Code, except for:

(A) Chapter 1 Administration, to the extent that subsections 1.6 Enforcement, 1.7 Authority, 1.8 Duties and Powers of the Incident Commander, 1.9 Liability, 1.10 Pre-Incident Planning, 1.11 [~~1.10~~] Fire Code Board of Appeals, 1.12 [~~1.11~~] Records and Reports, 1.13 [~~1.12~~] Permits and Approvals, 1.14 [~~1.13~~] Certificates of Fitness, 1.15 [~~1.14~~] Plan Review, and 1.17 [~~1.16~~] Notice of Violations and Penalties do not apply to state fire marshal inspections;

(B) Chapter 30 Motor Fuel Dispensing Facilities and Repair Garages, to the extent it conflicts with standards adopted in Subchapter A of this chapter (relating to Flammable Liquids) and Health and Safety Code Chapter 753, concerning Flammable Liquids;

(C) Chapter 60 Hazardous Materials, to the extent it will not be applied to university laboratories and laboratories in health care occupancies; [~~and~~]

(D) Chapter 65 Explosives, Fireworks, and Model Rocketry, to the extent it conflicts with Subchapter H of this chapter (relating to Storage and Sale of Fireworks) and Occupations Code Chapter 2154, concerning Regulation of Fireworks and Fireworks Displays; and

(E) NFPA 855, Standard for the Installation of Stationary Energy Storage Systems, to the extent it conflicts with Subchapter J of this chapter (relating to Battery Energy Storage Facility Safety) and Utilities Code Chapter 187, concerning Battery Energy Storage Facility Safety.

(2) NFPA Life Safety Code 101-2024. [~~101-2021.~~]

(b) These copyrighted standards and recommendations are adopted in their entirety for inspections performed under Government Code §417.008, concerning Right of Entry; Examination and Correction of Dangerous Conditions, except to the extent they are in conflict with sections of this chapter or any Texas statute [~~statutes~~] or federal law. NFPA [~~The~~] standards are published by and are available from the National Fire Protection Association Inc. (NFPA) on the NFPA website at www.nfpa.org. UL standards are available from UL Solutions on the UL Solutions website at www.ul.com.

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604847
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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SUBCHAPTER J. BATTERY ENERGY STORAGE FACILITY SAFETY

28 TAC §34.1001

STATUTORY AUTHORITY. TDI proposes new §34.1001 under Utilities Code §187.003 and §187.004, Government Code §417.005, and Insurance Code §36.001.

Utilities Code §187.003 provides that the commissioner, by rule, adopt fire safety standards and testing requirements for the design, installation, operation, and safety of battery energy storage facilities based solely on (1) nationally recognized standards for battery energy storage equipment or facilities established by UL Solutions, such as UL 9540A testing standards; and (2) minimum standards related to stationary energy storage facilities established by the National Fire Protection Association, such as the 2023 edition of NFPA 855 or a later edition.

Utilities Code §187.004 states that the commissioner by rule may prescribe procedures or requirements as necessary for the purposes of the section.

Government Code §417.005 states that the commissioner, after consulting with the state fire marshal, may adopt rules necessary to guide the state fire marshal in the performance of other duties for the commissioner.

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

CROSS-REFERENCE TO STATUTE. Section §34.1001 implements Utilities Code §187.003 and §187.004.

§34.1001. Adopted Standards for Battery Energy Storage Facilities.

(a) The purpose of this subchapter is to administer Utilities Code Chapter 187, concerning Battery Energy Storage Facility Safety.

(b) The commissioner adopts by reference NFPA 855-2023, *Standard for the Installation of Stationary Energy Storage Systems*, and UL 9540A. These standards are in addition to standards adopted in §34.303 of this title (relating to Adopted Standards).

(c) For purposes of Utilities Code Chapter 187, the commercial operations dates are as follows.

(1) For a battery energy storage resource connected at either the transmission or distribution level and registered with the applicable independent organization certified under Utilities Code §39.151, concerning Essential Organizations, for the Electric Reliability Council of Texas (ERCOT) power region, the date the independent organization declares that the facility has completed all qualification testing as part of the resource interconnection process and is approved for participation in market operations.

(2) For a battery energy storage resource located in the ERCOT power region but not registered with the applicable independent organization certified under Utilities Code §39.151 for the ERCOT power region, the date the facility completes testing and qualification and is authorized to participate in commercial operations by the interconnecting transmission and distribution service provider.

(3) For a battery energy storage resource located within the boundaries of a non-ERCOT regional transmission organization or independent system operator, the date on which the resource has completed all required interconnection testing and qualification and is recognized as having achieved commercial operation under an interconnection arrangement including, if applicable, acceptance by the regional transmission organization or independent system operator and the interconnecting transmission owner of the interconnection customer's commercial operation notification or equivalent declaration.

(4) For a battery energy storage resource that does not fall under the umbrella of sections (1) - (3), the date on which the resource has completed all testing and is capable of operating in accordance with the manufacturer's instructions.

(d) Battery energy storage systems must comply with the applicable requirements of the adopted standards based on the capacity thresholds established in those standards. In addition, a battery energy storage facility with an aggregate capacity of one megawatt hour or greater must comply with the requirements of Utilities Code Chapter 187.

(e) These copyrighted standards and recommendations are adopted except to the extent they conflict with sections of this chapter or any Texas statute or federal law. NFPA standards are available from the NFPA at www.nfpa.org. UL standards are available from UL Solutions at www.ul.com.

(f) A battery energy storage facility must communicate timely and professionally with local first responders as required by Utilities Code §187.004.

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604848

Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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SUBCHAPTER M. SCHEDULED ADMINISTRATIVE PENALTIES

28 TAC §34.1301, §34.1302

STATUTORY AUTHORITY. TDI proposes amendments to §34.1301 and §34.1302 under Utilities Code §187.005, Government Code §417.005, §417.010, and Insurance Code §36.001.

Utilities Code §187.005 requires that the commissioner, by rule, delegate to the state fire marshal the authority to take disciplinary and enforcement actions, including the imposition of administrative penalties, to enforce Utilities Code Chapter 187, and adopt a schedule of administrative penalties for violations subject to a penalty under this chapter to ensure that the amount of an administrative penalty imposed is appropriate to the violation, in the manner provided by §417.010, Government Code.

Government Code §417.005 provides that the commissioner may adopt necessary rules to guide the state fire marshal in the performance of duties for the commissioner.

Government Code §417.010 provides that the commissioner by rule must adopt a schedule of administrative penalties for violations subject to a penalty under the section to ensure that the amount of an administrative penalty is appropriate to the violation.

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

CROSS-REFERENCE TO STATUTE. Sections 34.1301 and 34.1302 implement Utilities Code §187.005 and Government Code §417.010.

§34.1301. Imposition of Penalty.

(a) The commissioner delegates to the state fire marshal the authority to take disciplinary and enforcement action as described in this subchapter.

(b) The state fire marshal may impose an administrative penalty as described in §34.1302 of this title (relating to Schedule of Administrative Penalties) against a person who violates:

(1) a provision of Title 20, Insurance Code, concerning Regulation of Other Occupations, including Chapters [~~Chapter~~] 6001, 6002, or 6003, concerning Fire Extinguisher Service and Installation, Fire Detection and Alarm Device Installation, and Fire Protection Sprinkler System Service and Installation, respectively;

(2) Occupations Code Chapter 2154, concerning Regulation of Fireworks and Fireworks Displays; [~~or~~]

(3) a rule appearing in Subchapter E, F, G, or H of this chapter (relating to Fire Extinguisher Rules [~~and Installation~~], Fire Alarm Rules, Fire Sprinkler Rules, and Storage and Sale of Fireworks, respectively)[.]; or

(4) Utilities Code Chapter 187, concerning Battery Energy Storage Facility Safety, or a rule appearing in Subchapter C of this

chapter (relating to Standards and Fees for State Fire Marshal Inspections) to the extent applicable to battery energy storage facilities.

(c) As used in this subchapter, the term "licensee" includes all persons licensed, registered, or otherwise regulated by Title 20, Insurance Code, [~~or~~] Occupations Code Chapter 2154, or Utilities Code Chapter 187.

(d) The state fire marshal may refer a violation of subsection (b)(1), (2), [~~or~~] (3), or (4) of this section to the Texas Department of Insurance, Enforcement Section, instead of imposing an administrative penalty under this subchapter. Sanctions under Insurance Code Chapters 82, 83, and 84, concerning Sanctions, Emergency Cease and Desist Orders, and Administrative Penalties, respectively; [~~and~~] Occupations Code Chapter 2154; and Utilities Code Chapter 187[,] are not restricted to the administrative penalty amounts under §34.1302 of this title.

§34.1302. Schedule of Administrative Penalties.

(a) The Fire Extinguisher Penalty Schedule is specified as follows.
Figure: 28 TAC §34.1302(a)
[~~Figure: 28 TAC §34.1302(a)~~]

(b) The Fire Alarm Penalty Schedule is specified as follows.
Figure: 28 TAC §34.1302(b)
[~~Figure: 28 TAC §34.1302(b)~~]

(c) The Fire Protection Sprinkler Penalty Schedule is specified as follows.
Figure: 28 TAC §34.1302(c)
[~~Figure: 28 TAC §34.1302(c)~~]

(d) The Fireworks Indoor Retail Stand Penalty Schedule is specified as follows.
Figure: 28 TAC §34.1302(d)
[~~Figure: 28 TAC §34.1302(d)~~]

(e) The Fireworks Retail Site Penalty Schedule is specified as follows.
Figure: 28 TAC §34.1302(e)
[~~Figure: 28 TAC §34.1302(e)~~]

(f) The Fireworks Distributor Licensing Retailer Permit Penalty is specified as follows.
Figure: 28 TAC §34.1302(f)
[~~Figure: 28 TAC §34.1302(f)~~]

(g) The Battery Energy Storage Facility Penalty Schedule is specified as follows. A condition that creates a dangerous condition may result in an order to remove a building or structure or other remedial action under Government Code §417.008, concerning Right of Entry; Examination and Correction of Dangerous Conditions.
Figure: 28 TAC §34.1302(g)

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

Filed with the Office of the Secretary of State on November 16, 2026.

TRD-202604849
Jessica Barta
General Counsel
Texas Department of Insurance
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 676-6555

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TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 19. STATE ENERGY CONSERVATION OFFICE

SUBCHAPTER E. TEXAS BUILDING ENERGY PERFORMANCE STANDARDS

34 TAC §19.53

The Comptroller of Public Accounts proposes the repeal of §19.53, concerning building energy efficiency performance standards. The proposal removes §19.53 from Subchapter E because it is unnecessary for the implementation of Government Code, §388.003, concerning the adoption of building energy efficiency performance standards.

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

Dr. Melnyk also has determined that the proposed rule repeal would have no fiscal impact on the state government, units of local government, or individuals. The proposed repeal would benefit the public by removing provisions that are unnecessary for the implementation of Government Code, §388.003. There would be no anticipated significant economic cost to the public. The proposed repeal would have no fiscal impact on small businesses or rural communities.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, George Hindman, Director, State Energy Conservation Office, at George.Hindman@cpa.texas.gov or at P.O. Box 13528, Capitol Station, Austin, Texas 78711-3528. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

The repeal is proposed under Government Code, §388.003, which allows the comptroller to adopt rules to administer Government Code, §388.003, concerning the adoption of building energy efficiency performance standards.

The repeal implements Government Code, §388.003.

§19.53. Building Energy Efficiency Performance Standards.

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

Filed with the Office of the Secretary of State on November 9, 2026.

TRD-202604770

Chris Blackwell
General Counsel and Associate Deputy Comptroller
Comptroller of Public Accounts
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 475-2220

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TITLE 37. PUBLIC SAFETY AND CORRECTIONS

PART 11. TEXAS JUVENILE JUSTICE DEPARTMENT

CHAPTER 343. SECURE JUVENILE PRE-ADJUDICATION DETENTION AND POST-ADJUDICATION CORRECTIONAL FACILITIES

SUBCHAPTER B. PRE-ADJUDICATION AND POST-ADJUDICATION SECURE FACILITY STANDARDS

37 TAC §343.362, §343.364

The Texas Juvenile Justice Department (TJJD) proposes to amend 37 TAC, Part 11, §343.362, Limitations on Mail, and §343.364, Legal Correspondence.

SUMMARY OF CHANGES

The proposed amendments to §343.362 will include revising language relating to limitations on resident mail, inspection of mail for contraband, withholding of mail, prohibited correspondence, and documentation requirements. Amendments will also include elements from §343.366, which is being simultaneously proposed for repeal.

The proposed amendments to §343.364 will include revising language relating to legal correspondence, postage requirements, and facility policy provisions for identifying correspondence with attorneys or other legal organizations.

FISCAL NOTE

Emily Anderson, Deputy Executive Director: Support Operations and Finance, has determined that, for each year of the first five years the amended sections are in effect, there will be no significant fiscal impact for state government or local governments as a result of enforcing or administering the sections.

PUBLIC BENEFITS/COSTS

Cameron Taylor, Policy Director, has determined that for each year of the first five years the amended sections are in effect, the public benefit anticipated as a result of administering the sections will be clarification and simplification of mail standards for county juvenile facilities in Texas.

Ms. Anderson has also determined that there will be no effect on small businesses, micro-businesses, or rural communities. There is no anticipated economic cost to persons who are required to comply with the amended sections as proposed. No private real property rights are affected by adoption of the sections.

GOVERNMENT GROWTH IMPACT

TJJD has determined that, during the first five years the amended sections are in effect, the sections will have the following impacts.

(1) The proposed sections do not create or eliminate a government program.

(2) The proposed sections do not require the creation or elimination of employee positions at TJJD.

(3) The proposed sections do not require an increase or decrease in future legislative appropriations to TJJD.

(4) The proposed sections do not impact fees paid to TJJD.

(5) The proposed sections do not create a new regulation.

(6) The proposed sections do not expand, limit, or repeal an existing regulation.

(7) The proposed sections do not increase or decrease the number of individuals subject to the section's applicability.

(8) The proposed sections will not positively or adversely affect this state's economy.

PUBLIC COMMENTS

Comments on the proposal may be submitted within 30 days after publication of this notice to Texas Juvenile Justice Department, Policy and Standards Section, P.O. Box 12757, Austin, Texas 78711, or via email to policy.proposals@tjjd.texas.gov.

STATUTORY AUTHORITY

The amended sections are proposed under §221.002, Human Resources Code, which requires the TJJD Board to adopt rules to govern juvenile boards, probation departments, probation officers, programs, and facilities.

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

§343.362. Limitations on Mail.

(a) Residents have the right to communicate through the mail with persons or organizations, subject to limitation only as necessary to provide for safety and security and to prevent the introduction of contraband into the facility. Each facility shall adopt written policy regarding mail, subject to the requirements in this section.

~~[(a) A resident's rights to privacy and correspondence may not be limited except when:]~~

~~[(1) a reasonable belief exists that the correspondence is part of an attempt to formulate, devise, or otherwise effectuate a plan to escape from the facility or to violate state or federal laws. If a reasonable belief exists, facility staff shall:]~~

~~[(A) ask the resident's permission to read the letter;]~~

~~[(B) if permission is denied, request a search warrant prior to opening and reading the letter; and]~~

~~[(C) if a search warrant request is denied, the correspondence shall be provided to the resident; or]~~

~~[(2) correspondence with certain individuals is specifically forbidden by:]~~

~~[(A) the resident's juvenile-court-ordered rules of probation or parole;]~~

~~[(B) the facility's policies, procedures, and practices that restrict and/or limit residents' correspondence with:]~~

~~*[(i)* other facility residents;]~~

[(ii) ~~witnesses or parties in law enforcement investigations or investigations before the court;~~]

[(iii) ~~participants in pending or active court proceedings; and/or~~]

[(iv) ~~victims attached to related juvenile or criminal referrals, investigations, or related proceedings; or~~]

~~[(C) a specific list of individuals furnished by a resident's parent, legal guardian, or custodian.]~~

(b) All incoming and outgoing mail may be inspected for contraband in accordance with this section.

(1) Facility staff may physically inspect mail for contraband only in the youth's presence if the correspondence is to or from one of the following:

(A) a court;

(B) a legal organization;

(C) an attorney representing the resident or from whom the resident is seeking representation;

(D) a governmental agency or official; or

(E) a member of the editorial or reporting staff of any newspaper, magazine, radio station, or television station listed in a major media directory.

(2) Mail described in paragraph (1) may not be read unless contraband is found during the inspection.

(3) Facility staff may physically inspect all mail not described in paragraph (1) for contraband outside of the resident's presence.

(4) X-ray technology may be used to inspect all mail for contraband.

(c) Mail may be withheld from the resident only if it:

(1) contains contraband;

(2) refers to criminal acts that have not been adjudicated or dismissed;

(3) refers to ongoing or future criminal acts;

(4) presents a direct threat to the safety or security of the facility;

(5) is sent to or received from a person with whom the resident is specifically forbidden to correspond by:

(A) the resident's conditions of probation or parole;

(B) the facility's policies, procedures, and practices that restrict and/or limit residents' correspondence with:

(i) other facility residents;

(ii) witnesses or parties in law enforcement investigations or investigations before the court;

(iii) participants in pending or active court proceedings;

(iv) victims attached to related juvenile or criminal referrals, investigations, or related proceedings; and/or

(v) individuals who have sent or attempted to send contraband to a youth; or

(C) a specific list of individuals furnished by a resident's parent, legal guardian, or custodian.

(d) ~~[(b)]~~ Incoming correspondence described in subsection (c)(5) ~~[(a)(2)]~~ of this section shall be returned unopened to the sender.

(e) ~~[(c)]~~ When mail is withheld from a resident, the reasons shall be documented and a copy shall be maintained in the resident's file.

§343.364. Legal Correspondence.

(a) While residing in the facility, residents shall be furnished adequate postage for mail correspondence with an attorney who represents the resident in a juvenile matter.

(b) The facility may adopt policies requiring the envelope for outgoing and incoming mail correspondence with an attorney or legal organization to include specific information designed to ensure the correspondence is with an attorney. The type of information may include, but is not limited to:

(1) the attorney's name and State Bar number;

(2) the name of the firm or legal organization;

(3) the address of the firm or legal organization; and

(4) specific language (e.g., "Legal Mail - Open Only in the Presence of the Resident").

[~~Residents shall be furnished adequate postage for legal correspondence during their stay in the facility.~~]

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

Filed with the Office of the Secretary of State on November 13, 2026.

TRD-202604825
Jana Jones
General Counsel
Texas Juvenile Justice Department
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 490-7130

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37 TAC §343.366

The Texas Juvenile Justice Department (TJJD) proposes to repeal 37 TAC, Part 11, §343.366, Inspection of Mail.

JUSTIFICATION FOR REPEAL

The contents of §343.366 will be incorporated into §343.362, Limitations on Mail, which is being simultaneously proposed for amendment.

FISCAL NOTE

Emily Anderson, Deputy Executive Director: Support Operations and Finance, has determined that, for each year of the first five years the repeal is in effect, there will be no significant fiscal impact for state government or local governments as a result of enforcing or administering the repeal.

PUBLIC BENEFITS/COSTS

Cameron Taylor, Policy Director, has determined that for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of administering the repeal will be clarification and simplification of mail standards for county juvenile facilities in Texas.

Ms. Anderson has also determined that there will be no effect on small businesses, micro-businesses, or rural communities. There is no anticipated economic cost to persons who are required to comply with the repeal as proposed. No private real property rights are affected by the repeal of this section.

GOVERNMENT GROWTH IMPACT

TJJD has determined that, during the first five years the repeal is in effect, the repeal will have the following impacts.

(1) The repeal does not create or eliminate a government program.

(2) The repeal does not require the creation or elimination of employee positions at TJJD.

(3) The repeal does not require an increase or decrease in future legislative appropriations to TJJD.

(4) The repeal does not impact fees paid to TJJD.

(5) The repeal does not create a new regulation.

(6) The repeal does not expand, limit, or repeal an existing regulation.

(7) The repeal does not increase or decrease the number of individuals subject to the section's applicability.

(8) The repeal will not positively or adversely affect this state's economy.

PUBLIC COMMENTS

Comments on the proposal may be submitted within 30 days after publication of this notice to Texas Juvenile Justice Department, Policy and Standards Section, P.O. Box 12757, Austin, Texas 78711, or via email to policy.proposals@tjjd.texas.gov.

STATUTORY AUTHORITY

The repeal is proposed under §221.002, Human Resources Code, which requires the TJJD Board to adopt rules to govern juvenile boards, probation departments, probation officers, programs, and facilities.

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

§343.366. Inspection of Mail.

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

Filed with the Office of the Secretary of State on November 13, 2026.

TRD-202604826
Jana Jones
General Counsel
Texas Juvenile Justice Department
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 490-7130

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CHAPTER 380. RULES FOR STATE-OPERATED PROGRAMS AND FACILITIES

SUBCHAPTER E. BEHAVIOR MANAGEMENT AND YOUTH DISCIPLINE

DIVISION 1. BEHAVIOR MANAGEMENT

37 TAC §380.9520

The Texas Juvenile Justice Department (TJJD) proposes to amend 37 TAC, Part 11, §380.9520, Regulation Break for Youth out of Control.

SUMMARY OF CHANGES

The proposed amendments to §380.9520 will reduce the total time a youth in an institution may be on a regulation break and/or a directed regulation break to 60 minutes (from 180 minutes).

The proposed amendments will also reduce the amount of time constituting a regulation break in halfway houses to 60 minutes (from 90 minutes).

FISCAL NOTE

Emily Anderson, Deputy Executive Director: Support Operations and Finance, has determined that, for each year of the first five years the amended section is in effect, there will be no significant fiscal impact for state government or local governments as a result of enforcing or administering the section.

PUBLIC BENEFITS/COSTS

Cameron Taylor, Policy Director, has determined that for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of administering the section will be to align state facility regulations to recognized best practice.

Ms. Anderson has also determined that there will be no effect on small businesses, micro-businesses, or rural communities. There is no anticipated economic cost to persons who are required to comply with the amended section as proposed. No private real property rights are affected by adoption of the section.

GOVERNMENT GROWTH IMPACT

TJJD has determined that, during the first five years the amended section is in effect, the section will have the following impacts.

(1) The proposed section does not create or eliminate a government program.

(2) The proposed section does not require the creation or elimination of employee positions at TJJD.

(3) The proposed section does not require an increase or decrease in future legislative appropriations to TJJD.

(4) The proposed section does not impact fees paid to TJJD.

(5) The proposed section does not create a new regulation.

(6) The proposed section does not expand, limit, or repeal an existing regulation.

(7) The proposed section does not increase or decrease the number of individuals subject to the section's applicability.

(8) The proposed section will not positively or adversely affect this state's economy.

PUBLIC COMMENTS

Comments on the proposal may be submitted within 30 days after publication of this notice to Texas Juvenile Justice Department, Policy and Standards Section, P.O. Box 12757, Austin, Texas 78711, or via email to policy.proposals@tjjd.texas.gov.

STATUTORY AUTHORITY

The amended section is proposed under §242.003, Human Resources Code, which requires the Board to adopt rules appropriate to properly accomplish TJJD's functions and to adopt rules for governing TJJD schools, facilities, and programs.

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

§380.9520. Regulation Break for Youth out of Control.

(a) Purpose. This rule provides for the temporary removal of a youth as a regulation break when the youth appears to have temporarily lost control of behavior, including short-term confinement in a locked room if the youth meets certain criteria. The regulation break is intended to allow the youth time to regain self-control, avoid maladaptive or dangerous behaviors, and demonstrate skillful behaviors and commitment to safety. Removal addressed in this rule is not a disciplinary consequence and is generally in a location near the activity in process.

(b) Definitions.

(1) Regulation Break--The temporary removal of a youth from an activity at the request of either staff or the youth and placement of the youth in an unlocked area.

(2) Directed Regulation Break--The confinement of a youth in a locked room when the youth is out of control and the youth's behavior poses a serious and immediate physical danger to others.

(c) Applicability.

(1) This rule applies to residential facilities operated by the Texas Juvenile Justice Department.

(2) This rule does not apply to a youth referred to the Security Program. See §380.9740 of this chapter.

(d) General Provisions.

(1) Regulation Break.

(A) The purpose of a regulation break is to allow a youth who appears to have temporarily lost control of the youth's behavior the ability to be removed from the current program and placed in an unlocked area to allow the youth time to regain self-control.

(B) Either the youth or staff may request that a youth be placed on a regulation break. A youth's group may not request the youth be placed on a regulation break.

(C) If staff request the regulation break, the reason for the request is explained to the youth, and the youth is given the opportunity to explain the maladaptive behavior and demonstrate skillful behavior and commitment to safety. The youth may assist in determining readiness to resume regular activity.

(D) The youth must be joined or visually checked by staff at least every 15 minutes. The youth may require more frequent checks under a different rule or policy.

(2) Directed Regulation Break

(A) A youth may be placed on a directed regulation break if the youth is out of control and the youth's behavior poses a serious and immediate physical danger to others.

(B) A directed regulation break occurs in a locked room.

(C) The directed regulation break must be in individual youth sleeping quarters or a room specifically designated for directed regulation breaks. The room must:

(i) be heated, cooled, and ventilated;

(ii) have a minimum ceiling height of 7.5 feet when measured from the floor to the lowest point of the ceiling; and

(iii) be equipped with a viewing window that allows staff to observe the youth.

(D) The reason for the directed regulation break is explained to the youth, and the youth is given the opportunity to explain the maladaptive behavior and demonstrate skillful behavior and commitment to safety.

(E) The youth must be joined or visually checked by staff at least every 15 minutes. The youth may require more frequent checks under a different rule or policy.

(F) The directed regulation break must be terminated as soon as the youth is sufficiently under control as to no longer pose a serious and immediate danger to others. The youth may assist in determining readiness to resume regular activity.

(G) Youth in a directed regulation break must receive room checks and appropriate psychological and medical services.

(H) A directed regulation break may not be used for a youth on suicide alert status.

(I) Youth may not be placed in a directed regulation break if the youth requested the regulation break unless the youth is out of control and the youth's behavior poses a serious and immediate physical danger to others.

(e) Institutions.

(1) The total time a youth may be on a regulation break and/or a directed regulation break is 60 [~~180~~] minutes, regardless of whether one or both types of breaks are used.

(2) If a youth on a regulation break exhibits an escalation in behavior to the point that the youth is out of control and the behavior poses a serious and immediate physical danger to others and less restrictive interventions have failed, the youth may be placed in a directed regulation break for the remaining portion of the 60 [~~180~~] minutes. If the youth is unable to regain control after 60 [~~180~~] minutes, staff should take other measures, such as referring the youth to the regulation and safety unit.

(3) Combining regulation breaks to circumvent the intent of the time limit is prohibited.

(f) Halfway Houses.

(1) A regulation break is limited to 60 [~~90~~] minutes. If the youth is unable to regain control after 60 [~~90~~] minutes, staff should take other measures. Directed regulation breaks are not permissible in halfway houses.

(2) Youth may not be placed in a regulation break in their bedrooms.

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

Filed with the Office of the Secretary of State on November 13, 2026.

TRD-202604827

Jana Jones
General counsel
Texas Juvenile Justice Department
Earliest possible date of adoption: December 27, 2026
For further information, please call: (512) 490-7130

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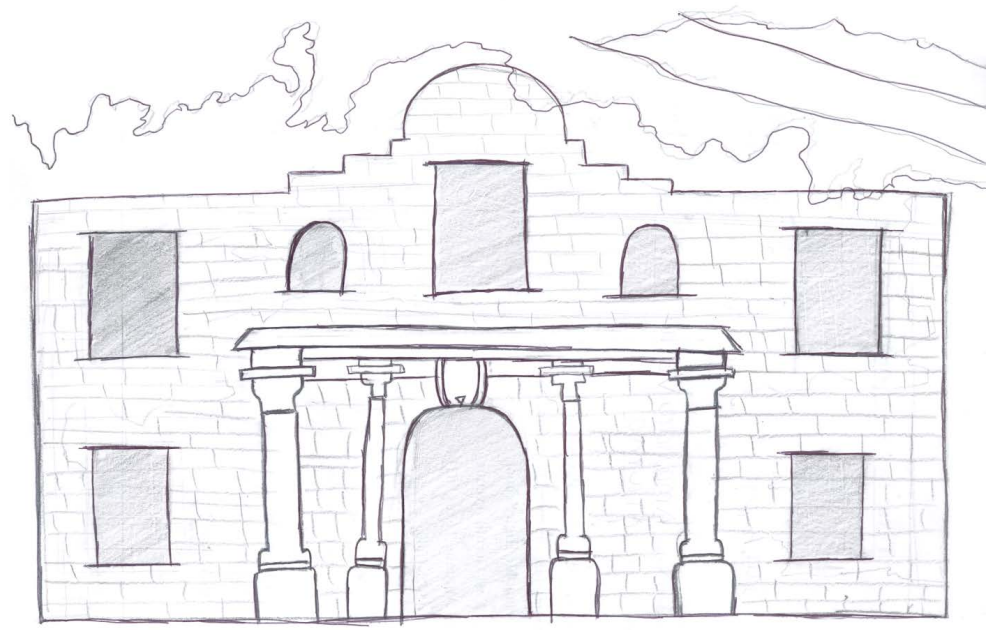

ADOPTED RULES

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

TITLE 1. ADMINISTRATION

PART 15. TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 353. MEDICAID MANAGED CARE

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts amendments to §353.2, concerning Definitions; §353.1502, concerning Definitions; and §353.1503, concerning Use of Telecommunications in Assessments; and the repeal of §353.608, concerning Minimum Payment Amounts to Qualified Nursing Facilities.

Sections 353.2, 353.608, and 353.1502 are adopted without changes to the proposed text as published in the August 14, 2026, issue of the *Texas Register* (51 TexReg 5313). These rules will not be republished.

Section 353.1503 is adopted with changes to the proposed text as published in the August 14, 2026, issue of the *Texas Register* (51 TexReg 5313). This rule will be republished.

BACKGROUND AND JUSTIFICATION

The adopted amendments and repeal are necessary to align Medicaid program rules with the fiscal rules that implemented House Bill (HB) 1, 88th Legislature, Regular Session, 2023 (Article II, Health and Human Services Commission (HHSC), Rider 25), which require HHSC to implement a Texas version of the Patient Driven Payment Model for Long-Term Care (PDPM LTC) methodology for the reimbursement of long-term stay nursing facility (NF) services in the Medicaid program.

Due to federal requirements in Title 42 Code of Federal Regulations §441.302(e) and (f), changing the NF reimbursement methodology from the Resource Utilization Group (RUG) to the PDPM LTC requires HHSC to incorporate the PDPM LTC methodology into the individual cost limit methodologies and related cost limit methodology. This adoption updates references to the former RUG reimbursement methodology with the term "reimbursement rate" in the Texas Administrative Code (TAC) for the state's two NF waiver programs, the STAR+PLUS Home and Community-Based Services Program and the Medically Dependent Children Program.

The adopted amendments also address necessary revisions to statutory citations resulting from HB 4611, 88th Legislature, Regular Session, 2023.

In addition, the adopted amendments implement Senate Bill 457, 89th Legislature, Regular Session, 2025, by removing references to the nursing facility rate enhancement program, which was eliminated by that legislation. The adopted repeal of §353.608 removes obsolete provisions related to the Minimum Payment Amount Program for Qualified Nursing Facilities, which has been superseded by the Quality Incentive Payment Program for nursing facilities.

COMMENTS

The 31-day comment period ended September 14, 2026.

HHSC did not receive any comments regarding the proposed rules.

HHSC made minor editorial changes in §353.1503(a)(2), (c)(1), and (c)(2) to correct a spacing issue.

SUBCHAPTER A. GENERAL PROVISIONS

1 TAC §353.2

STATUTORY AUTHORITY

The amendment is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §32.021, which provides HHSC with the authority to administer the federal medical assistance program in Texas and to adopt rules and standards for program 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 November 9, 2026.

TRD-202604764
Stephanie Tourk
Deputy Chief Counsel
Texas Health and Human Services Commission
Effective date: November 29, 2026
Proposal publication date: August 14, 2026
For further information, please call: (512) 438-2910

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SUBCHAPTER G. STAR+PLUS

1 TAC §353.608

STATUTORY AUTHORITY

The repeal is adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §32.021, which provides HHSC with the authority to administer the federal medical assistance pro-

gram in Texas and to adopt rules and standards for program 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.

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Deputy Chief Counsel
Texas Health and Human Services Commission
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For further information, please call: (512) 438-2910

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SUBCHAPTER R. TELECOMMUNICATIONS IN MANAGED CARE SERVICE COORDINATION AND ASSESSMENTS

1 TAC §353.1502, §353.1503

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §32.021, which provides HHSC with the authority to administer the federal medical assistance program in Texas and to adopt rules and standards for program administration.

§353.1503. Use of Telecommunications in Assessments.

(a) STAR+PLUS.

(1) STAR+PLUS MCOs must conduct initial assessments and annual reassessments using HHSC-developed tools for STAR+PLUS HCBS Program eligibility in-person.

(2) STAR+PLUS MCOs must conduct all initial and annual assessments using HHSC-developed tools for functionally necessary covered services such as personal assistance services, Community First Choice services, and day activity and health services, in-person.

(3) Change in condition assessments that require or potentially require a change in the PDPM LTC level must be conducted in-person.

(4) STAR+PLUS MCOs may offer members a choice of audio-visual communication in place of in-person change in condition assessments, if the assessment does not require or potentially require a change in the PDPM LTC level.

(A) When a STAR+PLUS MCO conducts a change in condition assessment using audio-visual communication, the MCO must receive and document verbal consent, and use a HIPAA-compliant audio-visual communication product.

(B) If verbal consent for audio-visual communication is not received, the STAR+PLUS MCO must meet the member in-person.

(C) The STAR+PLUS MCO must inform members who use audio-visual communication for change in condition assessments that the member's services depend on the following.

(i) The MCO must monitor services for fraud, waste, and abuse.

(ii) The MCO must determine whether additional social services or supports are needed.

(iii) The MCO must ensure that verbal consent to use telecommunications is documented in writing.

(5) Except as described in paragraph (4) of this subsection, a STAR+PLUS MCO may not conduct an initial assessment, annual reassessment, or change in condition assessment without the in-person presence of the member.

(6) During a declared state of disaster, HHSC may issue direction to STAR+PLUS MCOs regarding whether initial, annual renewal, or change in condition assessments may be conducted through audio-visual or audio-only communication for STAR+PLUS members who reside in the area subject to the declared state of disaster.

(7) STAR+PLUS MCOs must adhere to §353.1153 of this chapter (relating to STAR+PLUS Home and Community Based Services (HCBS) Program) for STAR+PLUS assessments and service planning, and §353.1(c) of this chapter (relating to Purpose) regarding compliance with all terms of the contract with HHSC.

(8) For limited circumstances, STAR+PLUS MCOs may submit, in a manner and format prescribed by HHSC, an exceptions policy for required in-person assessments for approval by HHSC. The policy must be developed by the MCO's clinical staff, such as the Chief Medical Director or the Director's designee.

(b) STAR Kids.

(1) STAR Kids MCOs must administer the initial assessment and annual reassessments using the HHSC-developed STAR Kids assessment tool in-person.

(2) Change in condition assessments that require or potentially require a change in the PDPM LTC level must be conducted in-person.

(3) MCOs may offer STAR Kids members a choice of audio-visual communication in place of in-person change in condition assessments, as long as the assessment does not require or potentially require a change in the PDPM LTC level.

(A) When a STAR Kids MCO conducts a change in condition assessment using audio-visual communication, the MCO must receive and document verbal consent, and use a HIPAA-compliant audio-visual communication product.

(B) If verbal consent for audio-visual communication is not received, the STAR Kids MCO must meet the member in-person.

(C) The STAR Kids MCO must inform members who use audio-visual communication for change in condition assessments that the member's services depend on the following.

(i) The MCO must monitor services for fraud, waste, and abuse.

(ii) The MCO must determine whether additional social services or supports are needed.

(iii) The MCO must ensure that verbal consent to use telecommunications is documented in writing.

(4) STAR Kids MCOs may not conduct an assessment without the in-person presence of the member.

(5) During a declared state of disaster, HHSC may issue direction to STAR Kids MCOs regarding whether initial, annual re-

newal, or change in condition assessments may be conducted through audio-visual or audio-only communication for STAR Kids members who reside in the area subject to the declared state of disaster.

(6) STAR Kids MCOs must adhere to §353.1155 of this chapter (relating to Medically Dependent Children Program) for assessments and service planning, and §353.1(c) of this chapter regarding compliance with all terms of the contract with HHSC.

(7) For limited circumstances, STAR Kids MCOs may submit, in a manner and format prescribed by HHSC, an exceptions policy for required in-person assessments for approval by HHSC. The policy must be developed by the MCO's clinical staff, such as the Chief Medical Director or the Director's designee.

(c) STAR Health.

(1) The STAR Health MCO must administer the HHSC-developed assessment tool for initial Medically Dependent Children Program (MDCP) eligibility and annual reassessments in-person.

(2) The STAR Health MCO must conduct all initial and annual reassessments using HHSC-developed tools for functionally necessary covered services such as personal assistance services, personal care services, and Community First Choice services, in-person.

(3) Change in condition assessments that require or potentially require a change in the PDPM LTC level must be conducted in-person.

(4) The STAR Health MCO may offer members a choice of audio-visual communication in place of in-person change in condition assessments, if the assessment does not require or potentially require a change in the PDPM LTC level.

(A) When the STAR Health MCO conducts a change in condition assessment using audio-visual communication, the MCO must receive and document verbal consent, and use a HIPAA-compliant audio-visual communication product.

(B) If verbal consent for audio-visual communication is not received, the STAR Health MCO must meet the member in-person.

(C) The STAR Health MCO must inform members who use audio-visual communication for change in condition assessments that the member's services depend on the following.

(i) The MCO must monitor services for fraud, waste, and abuse.

(ii) The MCO must determine whether additional social services or supports are needed.

(iii) The MCO must ensure that verbal consent to use telecommunications is documented in writing.

(5) A STAR Health MCO may not conduct an assessment without the in-person presence of the member.

(6) During a declared state of disaster, HHSC may give direction to the STAR Health MCO on whether initial, annual renewal, or change in condition assessments may be conducted through audio-visual or audio-only communication for members who live in the area subject to the declared state of disaster.

(7) The STAR Health MCO must adhere to §353.1155 of this chapter for MDCP assessments and service planning, and §353.1(c) of this chapter regarding compliance with all terms of the contract with HHSC.

(8) For limited circumstances, the STAR Health MCO may submit, in a manner and format provided or described by HHSC, an exceptions policy for required in-person assessments. This policy must be approved by HHSC. The policy must be developed by the MCO's clinical staff, such as the Chief Medical Director or the Director's designee.

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 November 9, 2026.

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Stephanie Tourk
Deputy Chief Counsel
Texas Health and Human Services Commission
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Proposal publication date: August 14, 2026
For further information, please call: (512) 438-2910

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TITLE 13. CULTURAL RESOURCES

PART 1. TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

CHAPTER 2. GENERAL POLICIES AND PROCEDURES

SUBCHAPTER A. PRINCIPLES AND PROCEDURES OF THE COMMISSION

13 TAC §2.42

The Texas State Library and Archives Commission (commission) adopts an amendment to 13 Texas Administrative Code, §2.42, concerning Negotiation and Mediation of Certain Contract Disputes. The amendment is adopted without changes to the proposed text as published in the June 26, 2026, issue of the *Texas Register* (51 TexReg 4069) and will not be republished.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). As a result of this review, the commission, with TREO's assistance, identified opportunities to simplify, streamline, and clarify existing rules. The adopted amendment improves §2.42, the commission's rule related to the process for negotiating and mediating certain contract disputes.

EXPLANATION OF AMENDMENT. The adopted amendment simplifies and clarifies §2.42 by deleting explanatory text that is unnecessary because it does not add detail regarding the commission's process. By pointing directly to the rules adopted by the Office of the Attorney General, the amended rule is simpler and more straightforward. The amendment makes no substantive change to the rule.

SUMMARY OF COMMENTS. The commission did not receive any comments on the proposed amendment or any information related to the cost, benefit, or effect of the proposed amendment.

STATUTORY AUTHORITY. The amendment is adopted under Government Code, §441.006, which directs the commission to govern the state library, and §2260.052, which directs each unit of state government to develop rules or follow rules adopted by

the attorney general related to negotiation and mediation of certain contract claims.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441; §2260.052.

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 November 13, 2026.

TRD-202604843
Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
Effective date: December 3, 2026
Proposal publication date: June 26, 2026
For further information, please call: (512) 463-5460

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13 TAC §2.60

The Texas State Library and Archives Commission (commission) adopts amendments to 13 Texas Administrative Code, §2.60, concerning Friends Groups and Private Donors. The amendments are adopted without changes to the proposed text as published in the August 21, 2026, issue of the *Texas Register* (51 TexReg 5504) and will not be republished.

The proposed amendments add references to private donors, including to the rule heading, to ensure it is clear that §2.60 applies to both friends groups (private organizations) and private donors. These amendments are adopted simultaneously with the adoption of the repeal of §2.61, Private Donors. Amended §2.60 will now include provisions related to private donors in addition to friends groups.

The commission did not receive any comments regarding the proposed amendments.

STATUTORY AUTHORITY. The amendment is adopted under Government Code §441.006, which provides the commission with the authority to govern the Texas State Library and Archives Commission and to adopt rules for the administration of the duties of the agency; and Government Code §2255.001, which requires state agencies to adopt rules governing the relationship between a private donor or organization that is designed to further the purposes and duties of the agency and the agency and its employees.

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 November 13, 2026.

TRD-202604839
Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
Effective date: December 3, 2026
Proposal publication date: August 21, 2026
For further information, please call: (512) 463-5460

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13 TAC §2.61

The Texas State Library and Archives Commission (commission) adopts the repeal of 13 Texas Administrative Code, §2.61, concerning Private Donors. The repeal is adopted without changes to the proposal as published in the August 21, 2026, issue of the *Texas Register* (51 TexReg 5506). The repeal will not be republished.

The repeal of §2.61, Private Donors, is adopted simultaneously with the adoption of amendments to §2.60, Friends Groups. Amended §2.60 will now include provisions related to private donors in addition to friends groups. Therefore, a separate rule specifically addressing only private donors is unnecessary.

The commission did not receive any comments regarding the proposed repeal.

STATUTORY AUTHORITY. The repeal is adopted under Government Code §441.006, which provides the commission with the authority to govern the Texas State Library and Archives Commission and to adopt rules for the administration of the duties of the agency.

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-202604840
Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
Effective date: December 3, 2026
Proposal publication date: August 21, 2026
For further information, please call: (512) 463-5460

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CHAPTER 6. STATE RECORDS
SUBCHAPTER A. RECORDS RETENTION SCHEDULING

13 TAC §6.7

The Texas State Library and Archives Commission (commission) adopts an amendment to 13 Texas Administrative Code, §6.7, concerning Destruction of State Records. The amendment is adopted without changes to the proposed text as published in the August 21, 2026, issue of the *Texas Register* (51 TexReg 5507) and will not be republished.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). As a result of this review, the commission, with TREO's assistance, identified opportunities to simplify, streamline, and clarify existing rules, including §6.7, relating to the destruction of state records.

EXPLANATION OF AMENDMENT. The adopted amendment simplifies §6.7 while continuing to require a state agency to obtain written authorization from the director and librarian before destroying a state record that does not appear on the agency's approved records retention schedule. The amendment also

adds a specific reference to Government Code, §441.187(a), for clarity and transparency. The amendment makes no substantive change to the commission's existing process.

SUMMARY OF COMMENTS. The commission did not receive any comments on the proposed amendment or any information related to the cost, benefit, or effect of the proposed amendment.

STATUTORY AUTHORITY. The amendment is adopted under Government Code, §441.187, which prohibits a state agency from destroying a state record without the prior approval of the state records administrator; Government Code, §441.182, which tasks the commission with establishing an efficient and economical state records management program; and Government Code, §441.006, which provides the commission with general authority to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441, Subchapter L.

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

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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Proposal publication date: August 21, 2026
For further information, please call: (512) 463-5460

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SUBCHAPTER C. STANDARDS AND PROCEDURES FOR MANAGEMENT OF ELECTRONIC RECORDS

13 TAC §6.98

The Texas State Library and Archives Commission (commission) adopts the repeal of 13 Texas Administrative Code, §6.98, concerning Uniform Electronic Transactions Act (UETA). The repeal is adopted without changes to the proposed text as published in the August 21, 2026, issue of the *Texas Register* (51 TexReg 5508) and will not be republished.

BACKGROUND. The commission recently concluded the first phase of a Regulatory Efficiency Review conducted by the Texas Regulatory Efficiency Office (TREO). As a result of this review, the commission, with TREO's assistance, identified opportunities to simplify, streamline, and clarify existing rules. As part of this review, the commission evaluated §6.98, relating to the Uniform Electronic Transactions Act (UETA).

EXPLANATION OF REPEAL. Upon review, the commission determined that §6.98 is unnecessary because the matters addressed by the rule are governed by Business and Commerce Code, Chapter 322, and the rules adopted by the Department of Information Resources in 1 Texas Administrative Code, Part 10, Chapter 203. The commission therefore adopts the repeal of §6.98 to reduce regulatory redundancy, streamline agency regulations, and improve the overall efficiency of the Texas Administrative Code.

SUMMARY OF COMMENTS. The commission did not receive any comments on the proposed repeal or any information related to the cost, benefit, or effect of the proposed repeal.

STATUTORY AUTHORITY. The repeal is adopted under Government Code, §441.006, which provides the commission with the authority to govern the Texas State Library and Archives Commission and to adopt rules for the administration of the duties of the agency.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441.

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 November 13, 2026.

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Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
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Proposal publication date: August 21, 2026
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TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 89. ADAPTATIONS FOR SPECIAL POPULATIONS

SUBCHAPTER D. SPECIAL EDUCATION SERVICES AND SETTINGS

19 TAC §89.62

The State Board of Education (SBOE) adopts the repeal of §89.62, concerning support of students enrolled in the Texas School for the Blind and Visually Impaired and Texas School for the Deaf. The repeal is adopted without changes to the proposed text as published in the July 24, 2026 issue of the *Texas Register* (51 TexReg 4787) and will not be republished. The adoption repeals §89.62 as the SBOE's statutory authority for the rule was removed by House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025.

REASONED JUSTIFICATION: Section 89.62 establishes support of students enrolled in the Texas School for the Blind and Visually Impaired and Texas School for the Deaf.

HB 2 and SB 568 modified Texas Education Code (TEC), §30.003 and §30.004, to remove the SBOE's authority for the rule. The repeal is necessary to implement legislation.

The SBOE approved the repeal for first reading and filing authorization at its June 26, 2026 meeting and for second reading and final adoption at its September 4, 2026 meeting.

In accordance with TEC, §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 2027-2028 school year. The earlier effective date will remove a rule for

which the SBOE no longer holds authority. 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 July 24, 2026, and ended at 5:00 p.m. on August 24, 2026. The SBOE also provided an opportunity for registered oral and written comments at its August-September 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of public comments received and corresponding responses.

Comment: An individual commented that AP Business with Personal Finance may not provide sufficient financial literacy instruction to satisfy the financial literacy requirement and urged the SBOE to carefully review qualifying courses.

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

Comment: Two individuals commented in opposition to the proposal, with one commenter expressing concern that schools should prioritize improving basic literacy and numeracy skills rather than adding additional requirements or coursework.

Response: The SBOE disagrees. The repeal is necessary because the SBOE's statutory authority for §89.62 was removed by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025.

STATUTORY AUTHORITY. The repeal is adopted under House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025, which amended Texas Education Code (TEC), §30.003, to repeal the authority of the State Board of Education (SBOE) to set a date by rule on which school districts and state institutions shall provide to the commissioner the necessary information to determine the district's share of cost for a student's education at the Texas School for the Blind and Visually Impaired or Texas School for the Deaf and adopt rules as necessary to implement this section of the TEC; and HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which amended TEC, §30.004, to repeal the authority of the SBOE to adopt rules prescribing the information that school districts shall provide to parents or other persons having lawful control of a student about programs and services available at the Texas School for the Blind and Visually Impaired or the Texas School for the Deaf.

CROSS REFERENCE TO STATUTE. The repeal implements House Bill 2 and Senate Bill 568, 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 November 13, 2026.

TRD-202604818
Cristina De La Fuente-Valadez
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CHAPTER 113. TEXAS ESSENTIAL KNOWLEDGE AND SKILLS FOR SOCIAL STUDIES

SUBCHAPTER C. HIGH SCHOOL

19 TAC §113.24, §113.25

The State Board of Education (SBOE) adopts new §113.24 and §113.25, concerning Texas Essential Knowledge and Skills (TEKS) for social studies. The new sections are adopted with changes to the proposed text as published in the May 15, 2026 issue of the *Texas Register* (51 TexReg 3210) and will be republished. The adopted new TEKS update the social studies standards and implement House Bill (HB) 824 and Senate Bill (SB) 24, 89th Texas Legislature, Regular Session, 2025.

REASONED JUSTIFICATION: In accordance with statutory requirements that the SBOE identify by rule the essential knowledge and skills of each subject in the required curriculum, the SBOE follows a board-approved cycle to review and revise the essential knowledge and skills for each subject.

The TEKS for social studies and economics were originally adopted effective September 1, 1998. The Kindergarten-Grade 12 social studies TEKS and the TEKS for economics were revised effective August 23, 2010. In 2015, the SBOE adopted revisions to the TEKS for certain Advanced Placement (AP) and International Baccalaureate (IB) social studies courses to require that students demonstrate proficiency in the TEKS for the corresponding AP and IB courses, in addition to the AP or IB course requirements. In 2018, the SBOE approved streamlining revisions to the social studies TEKS for Kindergarten-Grade 8 and four high school social studies courses (United States History Studies, World History Studies, World Geography, and United States Government). The SBOE also streamlined the TEKS for Economics with Emphasis on the Free Enterprise System and Its Benefits and consolidated the TEKS for economics into Chapter 113. In April 2020, the SBOE approved proposed revisions to Chapter 113, Subchapter D, to update references to course numbers and titles to reflect the revisions to the social studies TEKS.

In 2021, SB 1063, 87th Texas Legislature, Regular Session, amended TEC, §28.025, to add a one-half credit course in personal financial literacy and economics as an option to meet the one-half credit graduation requirement for economics under the Foundation High School Program. SB 1063 required that the SBOE adopt TEKS for the personal financial literacy and economics course and that the required curriculum for the course allocate two-thirds of the instructional time to personal financial literacy and one-third of instructional time to economics. At its June 2022 meeting, the SBOE adopted TEKS for the new course, §113.76, Personal Financial Literacy and Economics, and the rule became effective August 1, 2022.

In 2021, the 87th Texas Legislature passed HB 4509, Regular Session, and SB 3, Second Called Session, to require the teaching of informed patriotism and the founding documents of the United States and require the SBOE to adopt essential knowledge and skills for social studies that develop each student's civic knowledge, including an understanding of the fundamental moral, political, and intellectual foundations of the United States government. The SBOE approved proposed amendments to Chapter 113, Subchapters A-C, to update the standards for Kindergarten-Grade 8 and five high school courses (Economics with Emphasis on the Free Enterprise

System and Its Benefits, United States History Studies Since 1877, World History Studies, World Geography Studies, and United States Government) to align with SB 3 requirements.

In October 2024, the chairman of the SBOE established an ad hoc committee on social studies standards. The committee was charged with evaluating Texas's current social studies learning standards, researching best practices in history and civics education, and providing recommendations for developing exemplary state standards to ensure that Texas students receive a high-quality social studies education that prepares them for informed citizenship.

The goal of the committee was to provide clear, actionable recommendations for developing social studies curriculum standards that will position Texas as a national leader in history and civics education. The standards should equip students with essential knowledge of world, United States, and Texas history; geography; and civic institutions while fostering the skills and dispositions needed for engaged citizenship in a diverse democratic republic.

In 2025, the 89th Texas Legislature, Regular Session, passed HB 27, which revised the high school social studies graduation requirement for students who enter Grade 9 in the 2026-2027 school year and thereafter. Under HB 27, students must successfully complete a one-half credit personal financial literacy course instead of the one-half credit economics course or one-half economics and personal financial literacy and economics course to satisfy the economics requirement under the Foundation High School Program. Additionally, the bill permits students in this cohort to select the third social studies credit required for graduation from one credit in economics, world geography, or world history. As a result, the bill requires the approval of a one-credit economics course for this cohort while the current one-half economics course offerings remain in place for students not subject to HB 27. The bill also added new TEC, §28.025(b-24), requiring the SBOE to allow a student to comply with the personal financial literacy requirement by successfully completing an AP course that contains substantively similar and rigorous academic content.

HB 824, 89th Texas Legislature, Regular Session, 2025, added TEC, §28.002(h-3), to require the SBOE to adopt essential knowledge and skills for the government component of the social studies curriculum that address specific topics to develop each student's civic knowledge, including the role of government officials, the voting process, the eligibility requirements to run for elected office, Robert's Rules of Order, and the elected officials who represent the student.

Additionally, SB 24, 89th Texas Legislature, Regular Session, 2025, added TEC, §28.002(h-11), to require the SBOE to adopt social studies TEKS for Grades 4-12 that develop each student's understanding of communist regimes and ideologies and that provide age and developmentally appropriate instruction and information on the topic.

During the April 10, 2025 Ad Hoc Committee on Social Studies meeting, a public hearing on recommendations for a framework to guide the organization of the TEKS for social studies, including the identification of core content topics that students should know in United States history, Texas history, world history, geography, and civics in Kindergarten-Grade 12, was conducted. Texas Education Agency (TEA) staff presented an update on the status and progress of the Social Studies Ad Hoc Committee's charges, and the Committee of the Full Board (COFB) heard public testimony at the June 2025 meeting. A survey to collect input on key topics, strand titles, course sequencing/layering, and effective practices to inform the social studies TEKS revision was distributed in August 2025.

At the September 2025 meeting, the SBOE approved the social studies framework course sequence and strands for Kindergarten-Grade 8. The SBOE designated content advisors for the social studies TEKS review, and an application to serve on social studies TEKS review work groups was posted on the TEA website in October 2025. A discussion item regarding content advisor recommendations for key topics to be included in the social studies TEKS framework was presented to the COFB at the November 2025 meeting. The content advisors were also directed to address instructional requirements from HB 27, HB 824, and SB 24 in their recommendations. At the January 2026 meeting, the SBOE approved key topics and subtopics to be included in the new TEKS for social studies. Work group meetings were convened in February 2026 to develop draft recommendations for the new social studies TEKS. As part of the SBOE's process for the review and revision of the TEKS, education service centers (ESCs) collected feedback from educators in their regions on the work group drafts and submitted the feedback to TEA.

The SBOE held a public hearing and discussed the proposed new TEKS for social studies at a special called meeting in February 2026. In March 2026, TEA convened additional work groups to address the feedback from the SBOE and ESC focus groups to finalize their recommendations. At the April 2026 meeting, the SBOE held a public hearing on the proposed new TEKS. At the meeting, the SBOE removed §113.26, Personal Financial Literacy (One-Half Credit), Adopted 2026, from the proposal and directed staff to post on the TEA website both the proposed new course as presented in the April agenda and an alternative version presented during the meeting and to collect informal public feedback. At that time, the SBOE also approved the remaining proposed new rules in 19 TAC Chapter 113, Subchapters A-D, for first reading and filing authorization.

At the June 2026 meeting, the SBOE removed §113.24, United States History Studies (One Credit), Adopted 2026; §113.25, United States Government (One Half Credit), Adopted 2026; §113.27, World History Studies (One Credit), Adopted 2026; and §113.28, World Geography Studies (One Credit), Adopted 2026, from the proposal and approved the remaining proposed new rules in Chapter 113, Subchapters A-C, for second reading and final adoption. Chapter 113, Subchapter D, was not approved.

The following changes were made since approved for first reading and filing authorization.

Subsection (a) in §113.24 and §113.25 related to implementation was updated to the 2033-2034 school year.

Subsection (c)(1) in §113.24 was amended by replacing the phrase "Constitutional republican form of government" with the phrase "constitutional republic."

Subsection (c)(2)(A) in §113.24 and §113.25 was amended by replacing the phrase "emulate the preservation of" with the term "preserve."

The following language proposed in subsection (c)(5) in §113.24 and §113.25 was deleted: Social studies skills are incorporated into the teaching of social studies content. Students use social studies practices to demonstrate understanding and apply reasoning to the study of people, places, issues, and events. A

greater depth of understanding of complex content material is attained when social studies content and disciplinary thinking skills are taught together. Skills should include.

New subsection (c)(5) in §113.24 and §113.25 was added to read, "Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions. Where appropriate, skills should include."

Section 113.24(c)(5)(K) was amended by adding social studies strands.

Section 113.24(d)(2) was amended replacing the phrase "Colonial Life and Government" with the phrase "colonial life and government."

Proposed §113.24(d)(2)(A) related to significance of English traditions was deleted.

New §113.24(d)(2)(B) was added to read, "compare reasons for settlement and explain how geography influenced economic activities and labor systems in New England, Middle, and Southern colonies (Geo/C, E, S)."

Section 113.24(d)(2)(C) was amended to read, "explain the significance of early examples of representative government in the English colonies, including the Mayflower Compact, House of Burgesses, and Fundamental Orders of Connecticut (G/Civ)."

New §113.24(d)(2)(D) was added to read, "identify the significance of English legal traditions of common law and jury trial on colonial governments (G/Civ)."

Section 113.24(d)(3)(A) was amended to read, "analyze how the French and Indian War resulted in changes to British policy that contributed to the American Revolution, including enforcement of the Navigation Acts, Proclamation Line of 1763, tax acts, and the end of salutary neglect (H, G/Civ, E, S)."

Section 113.24(d)(3)(B) was amended by deleting the phrases "political and economic" and "protests against taxation without representation."

Section 113.24(d)(3)(C) was amended to read, "explain the significance of the Declaration of Independence to the American cause, including the Preamble, the statement of natural rights, assertion of the purpose of government to protect individual rights, colonial grievances against Britain, remedies, and the assertion of independence (G/Civ)."

Section 113.24(d)(3)(D) was amended by replacing the verb "explain" with "identify," adding the phrase "and the" before "First Great Awakening," and striking the phrase "and Enlightenment philosophy" before the phrase "on the American Revolution."

Section 113.24(d)(3)(E) was amended to read, "explain how Enlightenment ideas served as inspiration for the Declaration of Independence, including the role of John Locke, the Virginia Declaration of Rights, and Thomas Paine's Common Sense (G/Civ, S)."

New §113.24(d)(3)(F) was added to read, "explain that slavery existed in many societies throughout history, including at the time of colonization, among some Indigenous peoples in America, in Africa, the Middle East, and Southeast Asia, and earlier, in ancient civilizations, and identify colonial opposition, including the Quakers, to the practice of slavery (H, G/Civ)."

Section 113.24(d)(3)(G) was amended to read, "describe how key Revolutionary War events, including Lexington and Concord, Trenton, Saratoga, Valley Forge, and Yorktown, led to victory and the Treaty of Paris (1783) (H)."

Section 113.24(d)(3)(H) was amended by adding the phrase "against British tyranny in the American Revolution" after "American victory."

New §113.24(d)(3)(J) was added to read, "identify themes of patriotism in Phillis Wheatley's 'His Excellency General Washington' (H, Geo/C)."

Section 113.24(d)(4) was amended by adding the phrase "United States" before the word "Constitution."

Section 113.24(d)(4)(A) was amended to read, "explain the limitations of the Articles of Confederation, including the significance of Shays' Rebellion, and the factors that led to the Constitutional Convention (G/Civ)."

Section 113.24(d)(4)(B) was amended by replacing the term "addressed" with the word "prohibited" and adding the phrase "in the Northwest Territory" after the word "slavery."

Section 113.24(d)(4)(C) was amended by adding the word "how" after the verb "analyze" and adding the phrase "established America as a constitutional republic" after "Constitutional Convention."

Proposed §113.24(d)(4)(D) related to America established as a Constitutional Republic was deleted.

Section 113.24(d)(4)(D) was amended to read, "explain the debate between Federalists and Anti-Federalists over the ratification of the Constitution and the Bill of Rights (G/Civ)."

Section 113.24(d)(4)(E) was amended to read, "identify the key rights protected in the Bill of Rights and explain how these rights addressed grievances in the Declaration of Independence, including freedom of religion, speech, press, assembly, and petition; the right to keep and bear arms; protection from unreasonable searches and seizures; and the rights of due process and trial by jury (G/Civ)."

New §113.24(d)(5)(A) was added to read, "analyze the significance of the Election of 1800, including the peaceful transfer of power, as a key event that led to the establishment of a secure republican order (H, G/Civ)."

Section 113.24(d)(5)(B) was amended by replacing "in" with "that strengthened."

Section 113.24(d)(5)(C) was amended by replacing the term "impact" with "significance" and adding the phrase "including recognition of American sovereignty and development of national identity" after the word "independence."

Proposed §113.24(d)(6)(A) related to events of Andrew Jackson's presidency was deleted.

New §113.24(d)(6)(A) was added to read, "identify examples of the value of civic virtue, voluntary associations, and local self-government described in Alexis de Tocqueville's Democracy in America, Volume 1, Part 3, Chapters 4 and 10 (H, G/Civ)."

Section 113.24(d)(6)(B) was amended to read, "describe Jacksonian Democracy as a political movement that expanded voting rights by eliminating property requirements and emphasized the power of the common man (H, G/Civ)."

Proposed §113.24(d)(6)(C) related to cause and effects of westward expansions was deleted.

New §113.24(d)(6)(C) was added to read, "explain the major constitutional debates of Andrew Jackson's presidency, including the Nullification Crisis, the Indian Removal Act, the elimination of the Second Bank of the United States, and the Trail of Tears (H, G/Civ, Geo/C)."

Section 113.24(d)(6)(D) was amended to read, "explain the role of the Texas Revolution, the Battle of the Alamo, and the admission of Texas to the United States in the broader context of American westward expansion (H, G/Civ, Geo/C)."

New §113.24(d)(6)(E) was added to read, "explain how the Mexican-American War resulted in sectional conflict over the expansion of slavery into new territories, including territory acquired through the Treaty of Guadalupe Hidalgo (H, Geo/C)."

Section 113.24(d)(6)(F) was amended by adding the phrase "fueling major Antebellum" before the phrase "reform movements" and adding the word "early" before the phrase "women's suffrage."

Section 113.24(d)(6)(G) was amended to read, "describe the early women's suffrage movement, including the 1848 Seneca Falls Convention, and identify key leaders, including Susan B. Anthony and Elizabeth Cady Stanton (H, G/Civ)."

Section 113.24(d)(6)(H) was amended to read, "identify notable figures of the abolitionist movement, including William Lloyd Garrison and Harriet Tubman (H, G/Civ)."

New §113.24(d)(6)(I) was added to read, "identify ideas of liberty in Frederick Douglass's speeches, including 'The Meaning of July Fourth for the Negro' and 'What the Black Man Wants' (H, G/Civ)."

Section 113.24(d)(7)(A) was amended by adding the phrase "advancements of" after the verb "describe" and deleting the phrase "used on trains and boats."

New §113.24(d)(8)(B) was added to read, "explain the main causes of sectionalism leading to the Civil War, including the expansion of slavery, the Fugitive Slave Act in the Compromise of 1850, disagreements over states' rights, and tariffs (G/Civ, Geo/C, E, S)."

Proposed §113.24(d)(8)(C) related to causes of sectionalism and the Civil War was deleted.

Section 113.24(d)(8)(C) was amended to read, "identify key developments, which strengthened sectional tensions over slavery, including Uncle Tom's Cabin, Kansas Nebraska Act, Dred Scott v. Sandford (1857), and John Brown's raid (H, G/Civ, Geo/C)."

New §113.24(d)(8)(D) was added to read, "evaluate how the argument of popular sovereignty fractured national politics regarding the expansion of slavery, including excerpts in the first Lincoln-Douglas debate (H, G/Civ)."

Section 113.24(d)(9)(A) was amended to read, "explain the toll of key Civil War battles on the nation, including Fort Sumter, Antietam, Gettysburg, Vicksburg, Sherman's March to the Sea, and the Battle of Appomattox Court House in Virginia, that resulted in General Lee's surrender to General Grant (H, G/Civ, Geo/C)."

New §113.24(d)(9)(B) was added to read, "identify that border states permitted slavery but remained in the Union during the Civil War because of strong Unionist sentiment and the belief that slavery could be preserved without secession (H, G/Civ)."

Section 113.24(d)(9)(C) was amended by deleting the terms "manufacturing, population, and raw materials" from the including list.

Proposed §113.24(d)(9)(D) related to strategies of the Union and Confederacy was deleted.

New §113.24(d)(9)(D) was added to read, "explain how Ulysses S. Grant viewed service to the United States, including excerpts from Chapter I "Personal Memories of U. S. Grant" (H, G/Civ)."

Section 113.24(d)(10)(A) was amended to read, "describe the expansion of rights established by the 13th, 14th, and 15th Amendments in the United States (G/Civ)."

Section 113.24(d)(10)(E) was amended to read, "explain how the end of Reconstruction and the failure to enforce the 14th and 15th Amendments contributed to the rise of Jim Crow segregation (G/Civ, S)."

Section 113.24(d)(11)(C) was amended by replacing the phrase "changes during the later industrial revolution" with the phrase "and industrial growth from the late 19th to the early 20th centuries."

Section 113.24(d)(11)(D) was amended by replacing the word "and" with the phrase "to the" before the phrase "early 20th centuries" and adding the phrase "the melting pot ideal" before the phrase "the Hull House."

Section 113.24(d)(11)(G) was amended to read, "describe the transition from laissez-faire policies to increased federal regulations begun during the Gilded Age, including the Interstate Commerce Act and the Sherman Anti-Trust Act (G/Civ, E, S)."

Section 113.24(d)(11)(H) was amended to read, "describe key advancements for African Americans after the Civil War, including community-building with Booker T. Washington, civic participation with the National Association for the Advancement of Colored People (NAACP), the expansion of economic opportunity through Black Wall Street, the entrepreneurial success of Madame C.J. Walker, and the Great Migration (G/Civ, E)."

Section 113.24(d)(12) was amended by deleting the phrase "Imperialism and" before the phrase "World War I."

Section 113.24(d)(12)(A) was amended to read, "explain how the Monroe Doctrine influenced America's growing role in world affairs from the Civil War to 1914, including the Spanish-American War, and the Panama Canal and explain how concern over equal access to markets led to the annexation of Hawaii and the Open Door Policy (H, G/Civ, Geo/C, E)."

Section 113.24(d)(12)(B) was amended to read, "explain the causes for America's involvement in World War I, including economic ties to allies, unrestricted submarine warfare, and the Zimmermann Telegram (H, G/Civ, E)."

Section 113.24(d)(12)(C) was amended to read, "describe America's military contributions to World War I, including the American Expeditionary Force, Harlem Hellfighters, Meuse-Argonne-Offensive, and Alvin York (H)."

New §113.24(d)(12)(D) was added to read, "explain the significance of the Treaty of Versailles, including its terms, and the conditions it created for future conflict (H, G/Civ)."

Section 113.24(d)(13)(A) was amended to read, "describe how American society changed in the Roaring Twenties, including prohibition, the 19th Amendment, the Harlem Renaissance, the

emergence of consumer culture influenced by radio and movies, and the Tulsa Race Riots (H, G/Civ, Geo/C)."

Section 113.24(d)(13)(B) was amended by adding "the" before "stock market."

The following language in proposed §§113.24(d)(13)(B), (C), and (D) was deleted: "(B) describe the influence of African American culture on mainstream American culture between 1914 and 1939, including the Harlem Renaissance (Geo/C); (C) identify economic growth and community building of African Americans in the early 1900s, including the success of the Greenwood District, widely known as Black Wall Street (G/Civ, E); and (D) identify challenges of African Americans between 1914 and 1939, including the Ku Klux Klan, lynchings, and the Tulsa Race Riots (H, Geo/C, E)."

Section 113.24(d)(14)(A) was amended to read, "describe the rise of totalitarian regimes, including Hitler, Mussolini, Stalin, and Tojo, and contrast the limited rights of citizens in those regimes with those of the United States (H, G/Civ)."

Section 113.24(d)(14)(B) was amended by replacing the verb "explain" with the verb "identify" and deleting the phrase "and analyze the results of this policy."

Section 113.24(d)(14)(C) was amended to read, "describe key events of early World War II in Europe, including Germany's expansion through the partition of Poland and the Western Campaign and Allied resistance through the Battle of Britain and the Battle of the Atlantic (H, Geo/C)."

Section 113.24(d)(14)(D) was amended by adding the phrase "debates over" after the word "American."

New §113.24(d)(14)(E) was added to read, "identify reasons for U.S. involvement in World War II, including Axis aggression and the attack on Pearl Harbor (H, Geo/C)."

Section 113.24(d)(14)(F) was amended by replacing the phrase "the contributions" with the word "changes," replacing the word "that" with the word "to," and replacing the phrase "made to" with the word "during."

Proposed §113.24(d)(14)(G) related to events of the war and people in the Pacific was deleted.

Section 113.24(d)(14)(G) was amended to read, "describe American heroes and the events they influenced in the war in Europe, including Eisenhower and D-Day, the Battle of the Bulge and General George Patton, and the Tuskegee airmen and American bombing campaigns against the Axis (H, Geo/C)."

New §113.24(d)(14)(H) was added to read, "define the Holocaust as the systemic, bureaucratic, and state-sponsored persecution and murder of six million Jews by the National Socialist German Workers Party (Nazi) regime and its collaborators (H, G/Civ)."

New §113.24(d)(14)(I) was added to read, "describe the fall of the National Socialist German Workers Party (Nazis) and explain challenges confronting survivors of the Holocaust, including displacement, loss of family, and fear (H, Geo/C)."

New §113.24(d)(14)(J) was added to read, "explain how the strategy of island hopping and victories, including the Battle of Midway, helped the United States advance toward Japan in the Pacific Theater, (H, Geo/C)."

New §113.24(d)(14)(K) was added to read, "identify the contributions of Chester Nimitz and the Navajo Code Talkers at the Battle of Iwo Jima (H, Geo/C)."

New §113.24(d)(14)(L) was added to read, "explain President Truman's decision to drop the atomic bomb, including the goals of bringing a rapid end to the war and reducing additional casualties as described in "Statement by the President Announcing the Use of the A-Bomb at Hiroshima" (H, G/Civ)."

Section 113.24(d)(15) was amended to hyphenate "post-war."

Section 113.24(d)(15)(A) was amended by lowercasing the word "baby."

Section 113.24(d)(15)(B) was amended by deleting the phrase "compare and."

Section 113.24(d)(15)(C) was amended by adding the phrase "through satellite states" after the word "communism" and adding the phrase "and proxy wars in" before the word "Asia."

Section 113.24(d)(15)(D) was amended to read, "explain how the United States used containment, including the Korean War, the Cuban Missile Crisis, the Vietnam War, and the Space Race, to limit the spread of communism during the Cold War (H, G/Civ, Geo/C)."

Section 113.24(d)(15)(E) was amended to read, "explain domestic anticommunism movements, including the role of Billy Graham and the use of "under God," as a way to highlight America's moral and spiritual foundations distinguishing the United States from atheistic communist (G/Civ)."

Section 113.24(d)(15)(F) was amended to read, "explain key civil rights legislation and Supreme Court cases, including Sweatt v. Painter, Brown v. Board of Education, the Civil Rights Act of 1964, the Voting Rights Act of 1965, and Title IX (H, G/Civ)."

New §113.24(d)(15)(G) was added to read "explain how the 14th Amendment was used in Abington School District v. Schempp to apply 1st Amendment protections to public schools and school prayer (H, G/Civ)."

Proposed §113.24(d)(15)(H) related to the Black Power movement was deleted.

Section 113.24(d)(15)(H) was amended to read, "identify the significance of key civil rights leaders, including Dr. Martin Luther King, Jr., Thurgood Marshall, Texan Barbara Jordan, and Hector P. Garcia (H, G/Civ)."

New §113.24(d)(15)(I) was added to read, "explain how biblical imagery and founding principles of equality and justice from the Declaration of Independence are articulated in King's "I Have a Dream" speech (H, G/Civ)."

New §113.24(d)(15)(J) was added to read, "identify 1948 as the year the modern state of Israel was established in the ancestral homeland of the Jews and U.S. President Truman became the first world leader to formally recognize Israel (H, G/Civ)."

Section 113.24(d)(15)(K) was amended to read, "explain the expansion of the federal government because of Lyndon B. Johnson's Great Society programs, the loss of trust in government because of Watergate, and the effect of the oil embargo on the American economy (G/Civ, Geo/C, E)."

New §113.24(d)(15)(L) was added to read, "identify the negative effects of the counterculture movement of the 1960s through the 1970s, including changing attitudes toward marriage, changes in rates of divorce, and the difference between the rate of poverty in married households and divorced households (G/Civ, Geo/C, E)."

New §113.24(d)(15)(M) was added to read, "identify Ronald Reagan's arguments for limited government, individual liberty, and free enterprise in "A Time for Choosing" (H, G/Civ)."

Section 113.24(d)(15)(N) was amended to read, "describe how Reagan's leadership was exemplified through the release of the hostages in Iran, deregulation of the economy, and the fall of the Berlin Wall resulting in the end of the Cold War (H, G/Civ, Geo/C)."

New §113.24(d)(15)(O) was added to read, "describe arguments about the negative effects from the development of the modern welfare state that emerged from continued expansion of Great Society programs (H, G/Civ, E)."

Section 113.24(d)(16) was amended by adding the phrase "how constitutional principles and foreign policy shaped" before the phrase "the modern era."

Section 113.24(d)(16)(A) was amended to read, "identify key changes in America's foreign relationships in the modern era, including the Gulf War and North American Free Trade Agreement (NAFTA) (H, G/Civ, Geo/C, E)."

New §113.24(d)(16)(B) was added to read, "identify the significance of the September 11, 2001 terrorist attacks motivated by radical Islam, including the roles of George W. Bush, Colin Powell, and Condoleezza Rice; the launch of the Global War on Terror in Afghanistan and Iraq; and the decline of civil liberties due to the PATRIOT Act (H, G/Civ)."

Proposed §113.24(d)(16)(C) related to computer revolution was deleted.

New §113.24(d)(16)(C) was added to read, "identify the election of Barack Obama in 2008 as the first black president (H, G/Civ)."

The following language in proposed §113.25(c)(1) was deleted: In United States Government, the focus is on the principles and core ideas upon which the United States was founded on, including the structure, functions, and powers of government at the national, state, and local levels. Students learn major political ideas and forms of government in history. A significant focus of the course is on the founding documents, including the U.S. Constitution, its underlying principles and ideas, and the form of government it created. Students analyze major concepts of republicanism, federalism, checks and balances, separation of powers, popular sovereignty, and individual rights. Students analyze the impact of individuals, political parties, interest groups, and the media on the American political system, evaluate the importance of civic participation in a constitutional republic, and analyze the rights guaranteed by the U.S. Constitution. Students examine the relationship between governmental policies and the culture of the United States.

New §113.25(c)(1) was added to read, "United States Government builds on the historical foundations introduced in earlier grades by examining the principles, institutions, and constitutional structures that define the American constitutional federal republic. The United States Constitution is the required foundational text for this course and, together with the Declaration of Independence, serves as the enduring foundation for the study of American government. Students use the text of the Constitution throughout the course, using it as the primary source and organizing framework for understanding the organization, powers, limitations, and enduring principles of the American constitutional federal republic. The course emphasizes the Constitution as an enduring expression of natural rights, limited government, the rule of law, popular sovereignty, separation of powers, checks and balances, federalism, and representative government. Students examine how these constitutional principles have preserved liberty while providing a durable framework for self-government and constitutional change. The course examines the structure, functions, and powers of the national, state, and local governments established under the Constitution and analyzes how the constitutional balance of power has evolved through amendments, Supreme Court decisions, and historical developments while preserving the Constitution's enduring principles. Throughout the course, students regularly reference and interpret the text of the United States Constitution to examine governmental powers, civic institutions, and constitutional issues. Students also examine the unique structure of Texas government as an expression of federalism and its role in preserving the liberty interests of Texans."

The following language in proposed §113.25(d)(1) was deleted: (1) Historical Roots and Founding Documents of the Constitutional Republic. The student understands different forms of government. The student is expected to: (A) contrast different forms of government, including a republic, democracy, oligarchy, monarchy, theocracy, and dictatorship (G/Civ); and (B) contrast communism, socialism, and capitalism (G/Civ).

New §113.25(d)(1) was added to read, "Historical Roots of the Constitutional Republic. The student understands different forms of government and the importance of civic virtue in the American republic. The student is expected to: (A) contrast the role of citizens in different forms of government, including a republic, democracy, oligarchy, monarchy, theocracy, and dictatorship, and explain Aristotle's distinction between governments that serve the common good and those that serve private interests in Book III of Politics (H, G/Civ); (B) describe characteristics of civic virtue, including self-sacrifice, public service, civic responsibility, and placing the public good above self-interest (G/Civ); (C) describe the role of religion in relation to America's core ideals, including civic virtue, limited government, rule of law, and preservation of liberty, and recite and explain John Adams's statement, 'Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other' (H, G/Civ); and (D) explain Washington's emphasis on civic virtue, national unity, and patriotism using excerpts from 'Washington's Farewell Address (1796)' (H, G/Civ, S)."

The following language in proposed §113.25(d)(2) was deleted: (2) Historical Roots and Founding Documents of the Constitutional Republic. The student understands contributions to America's core ideals. The student is expected to: (A) describe religion in relation to America's core ideals, including civic virtue, limited government, rule of law, and preservation of liberty (H, G/Civ); and (B) explain colonial era ideas on self-government by analyzing consistent patterns over time, including the Mayflower Compact, Virginia House of Burgesses, and New England Town Meetings (H, G/Civ, S).

New §113.25(d)(2) was added to read, "(2) Historical Roots of the Constitutional Republic. The student understands limited government. The student is expected to: (A) explain Sir William Blackstone's view that human law should conform to the law of nature and God's revealed law found in the Hebrew Scriptures and New Testament (H, G/Civ); (B) identify characteristics of limited government, including constitutional constraints, separation of powers, popular sovereignty, and checks and balances (G/Civ); and (C) analyze Montesquieu's explanation of how the separation of powers preserves political liberty in excerpts from Chapter 6, Book XI, of 'The Spirit of the Laws' (G/Civ)."

The following language in proposed §113.25(d)(3) was deleted: (3) Historical Roots and Founding Documents of the Constitutional Republic. The student understands civic virtue. The student is expected to: (A) describe characteristics of civic virtue, including self-sacrifice, public service, civic responsibility, and public good over self-interest (G/Civ); (B) describe the relationship between religion and civic virtue (G/Civ); (C) evaluate Washington's Farewell Address 1796 as evidence of civic virtue by examining the author's purpose, audience, and message (H, G/Civ, S); and (D) analyze Washington's Farewell Address 1796 for evidence of unity and patriotism (H, G/Civ, S).

New §113.25(d)(3) was added to read, "(3) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the Declaration of Independence. The student is expected to: (A) explain Locke's justification for natural rights and private property using excerpts from Chapter V of the 'Second Treatise of Civil Government' (H, G/Civ); (B) read the Declaration of Independence and identify natural rights, including 'the laws of nature and of nature's God,' and explain the Declaration's assertion that these rights are 'endowed by their Creator' (G/Civ); (C) summarize the purpose of the Declaration of Independence as justification of separation from a tyrannical government (G/Civ, S); and (D) analyze the cause-and-effect relationship between grievances listed in the Declaration of Independence and protections as restraints on government established in the United States Constitution and Bill of Rights (G/Civ, S)."

The following language in proposed §113.25(d)(4) was deleted: (4) Historical Roots and Founding Documents of the Constitutional Republic. The student understands limited government. The student is expected to: (A) identify characteristics of limited government, including constitutional constraints, separation of powers, popular sovereignty, and checks and balances (G/Civ); and (B) evaluate foundational documents, including the Magna Carta, Declaration of Independence, U.S. Constitution, and Articles of Confederation, for evidence of limited government (H, G/Civ, S).

New §113.25(d)(4) was added to read, "(4) Historical Roots of the Constitutional Republic. The student understands that the preservation of liberty in a constitutional republic depends upon limited government and responsible self-government. The student is expected to: (A) explain that the legitimate purpose of government is to secure natural rights and that just government derives its authority from the consent of the governed (G/Civ); (B) explain how constitutional limitations on government power protect individual liberty and guard against tyranny (G/Civ); (C) describe the role of freedom of conscience in protecting individual liberty within a constitutional republic (G/Civ); and (D) explain the importance of families, religious institutions, voluntary associations, and community organizations in promoting civic virtue, self-government, and the preservation of liberty (G/Civ)."

The following language in proposed §113.25(d)(5) was deleted: (5) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the rule of law and preservation of liberty. The student is expected to analyze the relationship between the rule of law and preservation of liberty using reasoning skills, including sequencing and contextualization (G/Civ, S).

New §113.25(d)(5) was added to read, "(5) Historical Roots and Founding Documents of the Constitutional Republic. The student understands debates between the Federalists and Anti-Federalists that shaped the United States Constitution. The student is expected to: (A) explain how the weaknesses of the Articles of Confederation, including no independent executive, no national courts, and no power to tax, led to the Constitutional Convention of 1787 (G/Civ); (B) analyze arguments supporting the ratification of the United States Constitution in Federalist No. 10 on controlling factions, Federalist No. 51 on separation of powers and checks and balances, and Federalist No. 78 on the role of the independent judiciary (G/Civ, S); (C) identify arguments against the ratification of the United States Constitution within Brutus, including concerns about losing state sovereignty, a strong central government, limits on individual liberties, and the need for a bill of rights (G/Civ, S); (D) recite the Preamble to the United States Constitution and explain its purposes, including establishing justice, ensuring domestic tranquility, providing for the common defense, promoting the general welfare, and securing the blessings of liberty (H, G/Civ); and (E) identify that Article VII established the process by which the United States Constitution became effective upon ratification by nine states and explain the significance of its eventual ratification by all 13 original states in strengthening the legitimacy and unity of the new nation (H, G/Civ)."

The following language in proposed §113.25(d)(6) was deleted: (6) Historical Roots and Founding Documents of the Constitutional Republic. The student understands events that led to the Constitution and the Bill of Rights. The student is expected to: (A) explain the events that led to the writing of the Constitution and the Bill of Rights, including the Constitutional Convention and failures of the Articles of the Confederation (H, G/Civ); and (B) explain the events that led to the ratification of the Constitution and the Bill of Rights, including the states' ratification debate, Three-Fifths Compromise and the Great Compromise (H, G/Civ).

New §113.25(d)(6) was added to read, "(6) Historical Roots and Founding Documents of the Constitutional Republic. The student understands how the Articles of the United States Constitution and amendments to the Constitution shaped the constitutional republic. The student is expected to: (A) identify the constitutional functions established by each of the seven articles of the United States Constitution (G/Civ); (B) explain how the seven articles of the United States Constitution establish the principles of popular sovereignty, republicanism, federalism, separation of powers, checks and balances, and limited government (G/Civ); (C) explain how individual liberty is protected by the United States Constitution, including protections from ex post facto and bill of attainder laws (G/Civ); (D) describe the constitutional amendment process established in Article V of the United States Constitution and explain how its high threshold balances constitutional stability with the ability to amend the Constitution through broad national consensus (G/Civ); (E) identify the number of amendments to the United States Constitution and that the Bill of Rights consists of the first 10 amendments (G/Civ); and (F) explain how the 18th and 21st Amendments demonstrate that the Article V amendment process may be used both to establish a national constitutional policy and to repeal that policy, restoring primary authority to the states (H, G/Civ)."

The following language in proposed §113.25(d)(7) was deleted: (7) Historical Roots and Founding Documents of the Constitutional Republic. The student understands key events that led to the establishment of a secure republican order. The student is expected to evaluate the significance of the Election of 1800 as a key event, including the peaceful transfer of power, that led to the establishment of a secure republican order (H, G/Civ).

New §113.25(d)(7) was added to read, "(7) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the principles involved in the protection of individual property rights. The student is expected to: (A) analyze constitutional protections of private property rights, including protections found in the Takings and Due Process Clauses in the 5th and 14th Amendments (G/Civ, E); (B) explain how private property rights and voluntary exchange promote economic liberty within the American constitutional republic (G/Civ, E); and (C) contrast the relationship between economic freedom and political freedom in communism, socialism, and capitalism using Milton Friedman's 'Bright Promises, Dismal Performance: An Economist's Protest' (G/Civ, E)."

The following language in proposed §113.25(d)(8) was deleted: (8) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the Declaration of Independence. The student is expected to: (A) summarize the purpose of the Declaration of Independence as justification of separation from a tyrannical government (G/Civ, S); (B) explain natural law and natural rights based on the writings of Locke and Blackstone (G/Civ); (C) identify natural rights in the Declaration of Independence, including "the laws of nature and of nature's God" (G/Civ); and (D) analyze the cause and effect relationship between grievances listed in the Declaration of Independence and protections established in the Constitution and Bill of Rights (G/Civ, S).

New §113.25(d)(8) was added to read, "(8) Three Branches of the Federal Government (Legislative, Executive, Judicial). The student understands separation of powers within the three branches of the federal government. The student is expected to: (A) describe the structure of the legislative branch established in Article I, including bicameralism, membership of the House of Representatives and Senate, leadership, and committees (G/Civ); (B) describe the constitutional powers and procedures of the legislative branch, including enacting laws, declaring war, levying taxes, appropriating funds, oversight of the executive branch, impeachment, constitutional voting requirements, and Senate confirmation of treaties and presidential appointments (G/Civ); (C) describe the structure of the executive branch established in Article II, including the President, Vice President, Cabinet, and executive departments and agencies (G/Civ); (D) describe the constitutional powers of the executive branch, including faithfully executing the laws, serving as commander in chief, conducting foreign policy, issuing vetoes and pardons, and appointing judges and executive officers (G/Civ); (E) describe the structure of the judicial branch established in Article III, including the Supreme Court and lower federal courts (G/Civ); (F) describe the constitutional powers of the judicial branch, including resolving cases and controversies, interpreting the Constitution and federal law, exercising the power of judicial review as established in Marbury v. Madison; and the appointment, confirmation, and lifetime tenure of federal judges and Supreme Court justices (H, G/Civ); and (G) explain how the constitutional powers of each branch provide checks and balances that preserve limited government and prevent the concentration of power (G/Civ)."

The following language in proposed §113.25(d)(9) was deleted: (9) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the Articles of the Constitution. The student is expected to: (A) describe the principles and the seven articles of the Constitution, including popular sovereignty, republicanism, federalism, separation of powers, checks and balances, limited government, and individual rights (G/Civ); and (B) analyze how the principles of the Constitution are embedded within the seven articles of the Constitution (G/Civ).

New §113.25(d)(9) was added to read, "(9) Federalism. The student understands how the United States Constitution allocates powers between the national and state governments and how federalism preserves both national unity and state sovereignty. The student is expected to: (A) compare the types of republican governments, including unitary, confederal, and federal government (G/Civ); (B) identify Congress's enumerated powers in Article I, Section 8 of the United States Constitution and explain the role of the powers in the federal system (G/Civ); (C) explain how Article I, Section 8, Clause 18 (the Necessary and Proper Clause) authorizes implied powers and how McCulloch v. Maryland interpreted the clause to expand the authority of the national government (H, G/Civ); (D) explain the 10th Amendment and distinguish between reserved and concurrent powers in the federal system (G/Civ); (E) explain how Article VI, including the Supremacy Clause, resolves conflicts between federal and state law within the federal system (G/Civ); (F) identify that Article IV governs relations among the states, including full faith and credit and the guarantee of a republican form of government (G/Civ); (G) explain how the 16th Amendment expanded the federal government's authority to levy an income tax and contributed to the growth of the national government (H, G/Civ); (H) explain the purpose of the 17th Amendment in establishing direct election of United States Senators and explain how direct election expanded the role of citizens in selecting members of the United States Senate (H, G/Civ); and (I) analyze how New Deal interpretations of the Commerce Clause expanded federal authority over economic activities and transformed the balance of power between the national and state governments (H, G/Civ)."

The following language in proposed §113.25(d)(10) was deleted: (10) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the Bill of Rights. The student is expected to evaluate the purpose of the Bill of Rights using civil discourse to engage in meaningful and respectful communication (G/Civ, S).

New §113.25(d)(10) was added to read, "(10) Civil Liberties and Civil Rights. The student understands how the United States Constitution protects individual liberty by limiting the powers of government and secures civil rights. The student is expected to: (A) define civil liberty, identify the civil liberties protected in the Bill of Rights, including freedom of speech, freedom of religion, and freedom of the press, and explain that, when originally ratified, they limited only the powers of the federal government (G/Civ, S); (B) define civil rights and identify civil rights guaranteed by the 14th Amendment, including equal protection and due process clauses (G/Civ, S); (C) explain how the 14th Amendment transformed federalism by expanding federal authority over state governments, including its immediate effects during Reconstruction and the incorporation of most provisions of the Bill of Rights over time through Supreme Court decisions (H, G/Civ); and (D) explain how the 15th Amendment expanded federal authority over state governments to protect voting rights during Reconstruction and later during the Civil Rights movement (H, G/Civ)."

The following language in proposed §113.25(d)(11) was deleted: (11) Historical Roots and Founding Documents of the Constitutional Republic. The student understands perspectives from the Federalists and Anti-Federalists. The student is expected to: (A) analyze arguments supporting the ratification of the Constitution in Federalist No. 10 on controlling factions, Federalist No. 51 on

separation of powers and checks and balances, and Federalist No. 78 on the role of the independent judiciary (G/Civ, S); and (B) identify arguments against the ratification of the Constitution within Brutus, including concerns about losing state sovereignty, a strong central government, limits on individual liberties, and the need for a bill of rights (G/Civ, S).

New §113.25(d)(11) was added to read, "(11) Administrative State. The student understands the historical development, constitutional role, and expansion of the Administrative State in implementing and enforcing federal law. The student is expected to explain the role of executive branch agencies with the expansion of the federal government, including the creation of rules that carry the force of law, the enforcement of rules, the adjudication of rule violations, and the expansion of executive branch agencies (H, G/Civ)."

The following language in proposed §113.25(d)(12) was deleted: (12) American Political Culture. The student understands contributions to America's core ideals. The student is expected to analyze historical documents, including Alexis de Tocqueville's Democracy in America, Volume 1, Part 3, Chapters 4 and 10; Thomas Jefferson's Letter to the Danbury Baptists; Frederick Douglass' "What to the Slave is the Fourth of July?" and "What the Black Man Wants"; the First Lincoln-Douglas debate; Martin Luther King Jr.'s "I Have a Dream"; and Ronald Reagan's "A Time for Choosing," for evidence of the embodiment of America's core ideals (H, G/Civ, S).

New §113.25(d)(12) was added to read, "(12) Electing Federal Officials. The student understands the constitutional provisions governing the election of federal officials, the role of political parties in the electoral process, and the responsibilities of citizens in a constitutional republic. The student is expected to: (A) identify the constitutional authority for elections, including Article I, Section 4 of the United States Constitution and the role of state constitutions in establishing state and local offices (G/Civ); (B) identify the constitutional qualifications, terms of office, and succession or vacancy procedures for the President, Vice President, United States Senators, and Representatives (G/Civ); (C) explain why the United States Constitution establishes two-year terms for Representatives and six-year staggered terms for Senators, including accountability to the people (G/Civ); (D) explain how representative districts are crafted and reapportioned using census data and demographic patterns (G/Civ, Geo/C); (E) explain the purpose of the United States Electoral College established in Article II, Section 1 of the United States Constitution as a federalist system that balances the interests of small states and the people in presidential elections (H, G/Civ); (F) explain the United States Electoral College process of choosing electors to elect the President and Vice President, including the controversial elections of 1800, 1824, 1876, 1888, 2000, and 2016 (H, G/Civ); (G) explain how the 15th, 19th, 23rd, 24th, and 26th Amendments expanded voting rights and opportunities for participation in the democratic process, fulfilling the United States Constitution's commitment to representative government (H, G/Civ); (H) explain the emergence of political parties in the United States and how political party nomination processes became incorporated into state election laws (H, G/Civ); (I) identify that Texas law authorizes political parties to nominate candidates through primary elections and conventions and describe the state's primary, runoff, and general election process (H, G/Civ); and (J) explain the purpose and significance of the oath to the United States Constitution required of public officials as a commitment to uphold the Constitution rather than a political party, officeholder, or personal interest (G/Civ)."

The following language in proposed §113.25(d)(13) was deleted: (13) Three Branches of the Federal Government (Legislative, Executive, Judicial). The student understands the three branches of the Federal government. The student is expected to: (A) describe the structure of the legislative branch and explain the functions of the legislative branch, including the necessary and proper clause (G/Civ); (B) describe the structure of the executive branch and explain the functions of the executive branch, including the Take Care Clause and the role of executive orders (G/Civ); (C) describe the structure of the judicial branch and explain the functions of the judicial branch, including Marbury v. Madison and the role of judicial review (G/Civ); (D) compare responsibilities of the federal government (G/Civ); (E) identify eligibility requirements for individuals holding Constitutional offices, including president, vice president, senators, representatives, cabinet members, and supreme court justices (G/Civ); (F) explain delegation of powers and separation of powers in relation to the three branches of government (G/Civ); and (G) explain how the Electoral College balances population influence by giving smaller states a stronger voice in presidential elections than a direct popular vote would provide and explain how electoral vote allocation determined the outcomes of the elections of 1824, 1876, 1888, 2000, and 2016 (H, G/Civ).

New §113.25(d)(13) was added to read, "(13) State and Local Government. The student understands Texas state and local governments compared to the United States government. The student is expected to: (A) explain that the Texas Constitution establishes three branches of government and incorporates the principle of separation of powers in a manner similar to the United States Constitution (G/Civ); (B) identify that the Texas Legislature consists of 150 state representatives and 31 state senators elected from districts that are apportioned based on information from the census in ways that are similar to members of the United States Congress, and that the President of the Texas Senate is the elected Lieutenant Governor (G/Civ); (C) identify that the Texas executive branch includes an elected Governor, Lieutenant Governor, Attorney General, Comptroller, Commissioner of the General Land Office, Commissioner of Agriculture, three Railroad Commissioners, and fifteen members of the State Board of Education, and contrast this with the unitary executive branch structure of the federal government (G/Civ); (D) identify that the Texas judicial branch includes elected judges who serve as local justices of the peace and on district courts, courts of appeals, and two courts of last resort, including the Texas Court of Criminal Appeals and the Texas Supreme Court, and contrast the approach to electing state judges with the federal approach of appointing judges (G/Civ); and (E) identify that county, city, and other local governmental entities are authorized to exist under state law and have specific authority to provide certain services and in most cases to levy taxes and issue debt (G/Civ)."

The following language in proposed §113.25(d)(14) was deleted: (14) Federalism. The student understands the characteristics of Federalism. The student is expected to: (A) compare the types of republican governments, including unitary, confederal, and federal government (G/Civ); (B) explain enumerated, reserved, and concurrent powers, and how McCulloch v. Maryland clarified the balance of federal and state power (H, G/Civ); (C) explain the role of the Supremacy Clause in a federal system (G/Civ); (D) explain the effects of the 17th amendment, including the direct election of Senators, on the federalist structure of government (H, G/Civ, S); and (E) describe how conflicts and crises in United States history changed the balance of power in the federal sys-

tem in between the state and national governments, including the Great Depression, the civil rights movement, and the Civil War (H, G/Civ, E).

New §113.25(d)(14) was added to read, "(14) Federal, State, County, and Local Elected Officials. The student understands how to identify their elected officials and how to vote. The student is expected to: (A) describe the requirements for voting, including U.S. citizenship, photo identification and voter registration, and timeline requirements (G/Civ, S); (B) describe the process to become a registered voter, including obtaining photo identification or identification alternatives for purposes of voting, how to change registration when one moves, and how to obtain an absentee ballot (G/Civ, S); (C) identify the purpose and typical schedule of primary, primary runoff, municipal, municipal runoff, and general elections for all officials and propositions that could appear on the local ballot (G/Civ, S); (D) describe how to locate a list of elected officials who represent the student's address, identify the names of the current elected officials, and describe the roles of each elected official (G/Civ, S); and (E) explain the delegate selection processes and platform development processes of the major parties, beginning at precinct conventions made up of local voters (G/Civ)."

The following language in proposed §113.25(d)(15) was deleted: (15) Federalism. The student understands Texas state and local governments compared to the United States government. The student is expected to: (A) identify representatives and describe roles in the Texas executive branch (G/Civ, S); (B) identify representatives and describe roles in the Texas legislative branch (G/Civ, S); (C) identify representatives and describe roles in the Texas judicial branch (G/Civ, S); (D) identify representatives and describe roles in the local government (G/Civ, S); (E) identify eligibility requirements for individuals to hold public offices in Texas, including governor, lieutenant governor, senators, representatives, and Texas justices (G/Civ); and (F) apply Robert's Rules of Order to a discussion to engage in meaningful and respectful communication (G/Civ, S).

New §113.25(d)(15) was added to read, "(15) Public Meetings. The student understands decorum expectations and procedures used to conduct meetings of governing bodies. The student is expected to: (A) explain that 'Robert's Rules of Order Newly Revised' is a code of ethics designed to facilitate democratic process and is considered the parliamentary standard for most organizations and governing bodies (G/Civ); (B) explain guiding principles of parliamentary procedure, including the definition of a deliberative assembly; the majority has the right to decide, but the minority has the right to be heard; while the minority disagrees, it must abide by the decision of the majority; and debate must be fair to all concerned (G/Civ); (C) explain quorum rules, the steps of a motion, and different voting methods and thresholds in a meeting (G/Civ); (D) explain rules of debate, including both sides must be heard, participants are entitled to only two speeches on a question unless the rules of debate have been modified, the content of a speech must be germane and courteous, and bodies may pass motions to limit or end debate (G/Civ, S); (E) explain that the Texas Open Meetings Act and similar laws are designed to ensure meetings of governmental bodies happen with transparency, accountability, and fairness (G/Civ); and (F) identify the meeting schedule, recent agenda topics, and meeting minutes of local governmental bodies, including, where appropriate, the county commissioners court, the city, and the school board (G/Civ)."

The following language in proposed §113.25(d)(16) was deleted: (16) Civil Liberties and Civil Rights. The student understands the importance of civil liberties and civil rights. The student is expected to: (A) identify civil liberties and civil rights protected in the Bill of Rights (G/Civ, S); and (B) explain the role of the U.S. Supreme Court in interpreting rights guaranteed by the U.S. Constitution in cases, including Brown v. Board of Education of Topeka, Miranda v. Arizona, Dobbs v. Jackson's Women's Health Organization, Students for Fair Admissions v. Harvard, Pierce v. Society of Sisters, and Texas v. Johnson (H, G/Civ, Geo/C).

The following language in proposed §113.25(d)(17) was deleted: (17) Administrative State. The student understands the Administrative State. The student is expected to: (A) describe the growth of the federal government (G/Civ, E); (B) identify the purpose of selected independent federal executive agencies and regulatory commissions as prescribed by the Administrative Procedure Act of 1946 (H, G/Civ); and (C) describe the growth of the Texas state government (G/Civ, E).

The following language in proposed §113.25(d)(18) was deleted: (18) Modern Campaigns, Elections, Media, Political Parties and Participation. The student understands the role of modern campaigns, elections, media, political parties and participation in United States Government. The student is expected to: (A) explain the roles and responsibilities of citizens in United States elections (G/Civ); (B) compare the two-party system and the role of third parties in the United States using historical data, maps, charts, or graphs to synthesize evidence and draw conclusions (H, G/Civ, Geo/C, S); (C) explain how representative districts are crafted, including use of the census and the process of reapportionment using demographic patterns (G/Civ, Geo/C, S); and (D) analyze the voting process and election laws in Texas using simulations of democratic processes, including voting, due process, and caucuses (H, G/Civ, S).

The SBOE approved the new sections for first reading and filing authorization at its June 26, 2026 meeting and for second reading and final adoption at its September 4, 2026 meeting.

In accordance with TEC, §7.102(f), the SBOE approved the new sections for adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2027-2028 school year. The earlier effective date will enable school systems to begin preparing for implementation of the new TEKS. The effective date is 20 days after filing as adopted with the Texas Register.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began May 15, 2026, and ended at 5:00 p.m. on June 15, 2026. The SBOE also provided an opportunity for registered oral and written comments at its June 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of public comments received and corresponding responses.

Comment. Four teachers, four parents, and one college representative stated that the proposed high school United States History standards expand the scope of required content beyond what can be taught meaningfully in one school year. The commenters explained that adding earlier United States History content to an already demanding course would reduce depth, limit analysis, and increase pressure to cover material superficially. The commenters described concerns that important modern history, civil rights, primary-source work, and historical thinking would receive less time. The commenters identified

two-year sequencing, delayed assessment timing, or narrowed scope as possible ways to preserve rigor and depth. The commenters requested that the standards be revised to maintain realistic pacing, meaningful depth, and coherent United States History instruction.

Response. As a result of public comment, the State Board of Education (SBOE) took action to adopt the proposed new social studies Texas Essential Knowledge and Skills (TEKS), as amended, with consideration for the pacing, reorganization, and clarification of social studies standards based on feedback from numerous experts, educators, and stakeholder groups. The SBOE considered the amount of content adopted compared to the amount of available instructional time in all grade levels and courses. The social studies TEKS adopted by the SBOE represent a reduction in the number of standard breakouts and course content when compared to the current standards.

Comment. One teacher stated that the requirements for the high school government class have a significant omission. The commenter explained that while they address the Enlightenment idea that rights spring from "nature" and "nature's God," they do not address the safeguards put in place to keep government away from religion (and vice versa). The commenter explained that this is critical to students' interpretation of Enlightenment ideals. The commenter stated that choosing to cover only the divine origin of human rights without considering how the framers balanced that belief against a desire for a secular government mischaracterizes the framers and their goals and ideals.

Response. The SBOE disagrees with the commenters' assertion that the government standards omit important context regarding the relationship between religion and government because Texas Education Code (TEC), §28.002(c), charges the SBOE with determining the essential knowledge and skills for the required curriculum. The SBOE determined that the adopted standards appropriately address the historical and philosophical foundations of American government and civic thought, including Enlightenment influences, and that additional requirements are not necessary to achieve the intended scope of the course.

Comment. One teacher explained that §113.25 teaches Dobbs v. Jackson without Roe v. Wade and SFFA v. Harvard without Grutter or Bakke. The commenter stated that students cannot understand what either decision changed.

Response. As a result of public comment, §113.25(d)(16)(B) was deleted at adoption.

Comment. One teacher stated that §113.24(d)(11)(H) in United States History mentions Booker T. Washington but not W.E.B. Du Bois or Ida B. Wells.

Response. As a result of public comment, §113.24(d)(11)(H) was amended at adoption to read, "describe key advancements for African Americans after the Civil War, including community-building with Booker T. Washington, civic participation with the National Association for the Advancement of Colored People (NAACP), the expansion of economic opportunity through Black Wall Street, the entrepreneurial success of Madame C.J. Walker, and the Great Migration (G/Civ, E)."

Comment. One teacher stated that §113.24(d)(12) in United States History does not mention the League of Nations or the Fourteen Points.

Response. The SBOE disagrees with the commenter's proposal to add the League of Nations or the Fourteen Points. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains, based on feedback from numerous experts, educators, and stakeholder groups, that the existing standards provide sufficient coverage of key historical concepts and that the proposed additions are not necessary to achieve the intended instructional outcomes for the course.

Comment. One teacher commended the SBOE for the Grade 11 United States History TEKS. The commenter noted that the TEKS feel very actionable and should help students better understand and process United States History.

Response. As a result of public comment, the SBOE took action to adopt the proposed new United States History social studies TEKS, as amended, with consideration that the student expectations are actionable and that the revised course sequence, which provides students with a comprehensive study of United States history, supports students' understanding and analysis of historical events, developments, and themes. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One teacher stated that when there is too much curriculum, it takes away from the story of history and is hard to cover in a school year. The commenter noted that United States history from the Gilded Age to the present is already a lot to cover properly. The commenter explained that with testing and other requirements taking time away, there is limited time to review for an end-of-course exam required for graduation. The commenter stated that with proposed changes, the curriculum is doubled and skims through some of the most important parts of the American story. The commenter noted that while this could be done in advanced courses like APUSH, these students are not at the same level to retain that amount of curriculum.

Response. As a result of public comment, the SBOE took action to adopt the proposed new social studies TEKS, as amended, with consideration for the pacing, reorganization, and clarification of social studies standards based on feedback from numerous experts, educators, and stakeholder groups. The SBOE considered the amount of content adopted compared to the amount of available instructional time in all grade levels and courses. The social studies TEKS adopted by the SBOE represent a reduction in the number of standard breakouts and course content when compared to the current standards.

Comment. One administrator stated that §113.25(d)(10) is not needed if §113.25(d)(6)(B) exists.

Response. As a result of public comment, §113.25(d)(6)(B) and (10) were deleted at adoption.

Comment. One teacher stated that the phrase "belief in Providence" in §113.24(d)(3)(G) is unnecessary religious-based information.

Response. As a result of public comment, §113.24(d)(3)(G) was amended at adoption to read, "explain reasons for the American victory against British tyranny in the American Revolution, including the geographic advantage of fighting on their own land, foreign allied intervention, other British war obligations, the belief in Divine Providence, and rallying Americans around the idea of freedom (H, G/Civ, E)."

Comment. One teacher stated that in §113.24(d)(15)(E), the phrase "under God" puts too much emphasis on religion in the Second Red Scare. The commenter specified that "moral and spiritual foundations" is another attempt at religious indoctrination.

Response. The SBOE disagrees with the commenter's proposal to amend §113.24(d)(15)(E) based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing standards provide sufficient coverage of key historical concepts and that proposal is not necessary to achieve the intended instructional outcomes for the course.

Comment. One teacher recommended adding gerrymandering to §113.25(d)(18)(C).

Response. The SBOE disagrees with the commenter's proposal to add gerrymandering to the U.S. Government standards. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains, based on feedback from numerous experts, educators, and stakeholder groups, that the existing standards provide sufficient coverage of key governmental concepts and that a separate student expectation is not necessary to achieve the intended instructional outcomes for the course.

Comment. One parent stated that §113.24(d) has 79 knowledge statements, many of which have multiple pieces of information in them. The commenter explained that it was not realistic that teachers will get through this amount of information in the school year at an effective level and it is even less likely that they will get through it before the state test.

Response. As a result of public comment, the SBOE took action to adopt the proposed new social studies TEKS, as amended, with consideration for the pacing, reorganization, and clarification of social studies standards based on feedback from numerous experts, educators, and stakeholder groups. The SBOE considered the amount of content adopted compared to the amount of available instructional time in all grade levels and courses. The social studies TEKS adopted by the SBOE represent a reduction in the number of standard breakouts and course content when compared to the current standards.

Comment. One parent stated that there is too much information in §113.24(d)(14)(G) and that the atomic bomb should be separated.

Response. As a result of public comment, §113.24(d)(14)(G) was deleted at adoption.

Comment. One parent stated that the qualifying statement on Thurgood Marshall in §113.24(d)(15)(G) reduced his importance as he was far more than the Brown v. Board lawyer.

Response. As a result of public comment, the SBOE took action to amend §113.24(d)(15)(G) at adoption to read, "identify the significance of key civil rights leaders, including Dr. Martin Luther King, Jr.; Thurgood Marshall; Texan Barbara Jordan; and Hector P. Garcia (H, G/Civ)." Pursuant to TEC, §28.002, which authorizes the SBOE to adopt grade-level essential knowledge and skills, the standard establishes age-appropriate content while leaving instructional methods and supporting examples to local educators and districts.

Comment. One administrator stated that World History adds additional thematic strands to an already full survey course and that United States History now contains more discrete content than many college-level survey frameworks, including AP United States History.

Response. As a result of public comment, the SBOE took action to adopt the proposed new social studies TEKS, as amended, with consideration for the pacing, reorganization, and clarification of social studies standards based on feedback from numerous experts, educators, and stakeholder groups. The SBOE considered the amount of content adopted compared to the amount of available instructional time in all grade levels and courses. The social studies TEKS adopted by the SBOE represent a reduction in the number of standard breakouts and course content when compared to the current standards.

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Comment. Two community members recommended adding new §113.24(d)(8)(H) to read, "explain that the 1860 census showed there were 1,387,000 slaves in the seceded states and 1,817,000 in the Union, including nearly 3,700 in the District of Columbia and 18 in New Jersey."

Response. The SBOE disagrees with the commenters' proposal to add new §113.24(d)(8)(H) regarding 1860 census data. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains, based on feedback from numerous experts, educators, and stakeholder groups, that the existing standards provide sufficient coverage of key historical concepts and that a separate student expectation is not necessary to achieve the intended instructional outcomes for the course.

Comment. Two community members recommended adding new §113.24(d)(9)(F) to read, "explain how scorched earth warfare in Sherman's "March to the Sea," triggered a Southern backlash with organized clubs, including the Ku Klux Klan, and a Democrat stronghold for generations."

Response. The SBOE disagrees with the commenters' proposal to add new §113.24(d)(9)(F) about Sherman's "March to the Sea." Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts and that the addition of a separate student expectation is not necessary to achieve the intended instructional outcomes for the course.

Comment. One teacher noted that in §113.24(d)(1), exploration should include why Paleo-Indians traveled to the Americas, not just focusing on when White Europeans first arrived.

Response. The SBOE disagrees with the commenter's proposal to amend §113.24(d)(1) to include Paleo-Indians. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains, based on feedback from numerous experts, educators, and stakeholder groups, that the existing standards provide sufficient coverage of key historical concepts

and that the proposed amendment is not necessary to achieve the intended instructional outcomes for the course.

Comment. One teacher noted that in §113.24(d)(4)(A), expecting teachers to teach that "the Articles of Confederation...led to problems," and then listing only one, is too vague. The commenter asked what "problems" the standard refers to other than Shays' Rebellion.

Response. As a result of public comment, the SBOE took action to amend §113.24(d)(4)(A) at adoption to read, "explain the limitations of the Articles of Confederation, including the significance of Shays' Rebellion, and the factors that led to the Constitutional Convention (G/Civ)."

Comment. One teacher noted that in §113.24(d)(6)(B), Jacksonian Democracy has long been defined by historians as White Man's Democracy. The commenter expressed that it should be clarified that Jackson didn't represent the "common man;" he represented the "common white man."

Response. The SBOE disagrees with the commenter's recommendation to revise §113.24(d)(6)(B) to characterize Jacksonian Democracy as representing only the "common white man." The SBOE has determined that the current language appropriately supports the study and analysis of Jacksonian Democracy as a historical movement while allowing educators and instructional materials to explore its complexities, limitations, and varying historical interpretations. Consistent with TEC, §28.002(c), the TEKS establish the essential knowledge and skills students are expected to learn and are not intended to prescribe all contextual details or perspectives associated with a topic.

Comment. One teacher supported the inclusion of Audie Murphy in §113.24(d)(14)(F).

Response. The SBOE disagrees with the commenter and removed "Audie Murphy" from §113.24(d)(14)(F) based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing standards provide sufficient coverage of key historical concepts and that the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator stated specific instances of superficial content in the following standards: §§113.24(d)(4)(D) and (F) and (11)(H); 113.25(d)(13)(D); 113.27(d)(7)(A), (8)(D), and (15)(A); and 113.29(d)(41)(E).

Response. In response to public comment, §§113.24(d)(4)(D) and (F), 113.25(d)(13)(D), and 113.27(d)(7)(A) and (8)(D) were deleted at adoption. The SBOE amended §113.24(d)(11)(H) at adoption to read, "describe key advancements for African Americans after the Civil War, including community-building with Booker T. Washington, civic participation with the National Association for the Advancement of Colored People (NAACP), the expansion of economic opportunity through Black Wall Street, the entrepreneurial success of Madame C.J. Walker, and the Great Migration (G/Civ, E)."

Comment. One administrator stated the following instances of standards that are missing important context: §113.24(d)(5)(A), (6)(A), (11)(H), and (15)(G); and §113.27(d)(18)(D) and (23)(A).

Response. The SBOE disagrees with the commenters' assertion that the identified standards lack important context because, pursuant to TEC, §28.002(c), the SBOE is responsible for determining the essential knowledge and skills students should learn in the required curriculum. The SBOE adopted targeted revisions to §113.24(d)(11)(H) and §113.24(d)(15)(G) and removed §113.24(d)(6)(A) where changes were determined to be warranted. The SBOE further determined that the remaining cited standards appropriately reflect the scope and intent of the course and should be retained as written based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One teacher stated concern about revisions proposed by the Texas Public Policy Foundation. The commenter noted that United States History end-of-course performance is routinely among the highest and questioned why broad changes are being proposed that do not align with established historical practices. The commenter explained that making significant revisions despite strong outcomes may be unnecessary and could disrupt effective instruction. The commenter requested reconsideration of these changes to ensure alignment with successful current practices and to avoid unintended negative impacts on student learning.

Response. The SBOE disagrees with the commenter's recommendation to reconsider the proposed revisions because TEC, §28.002(c), charges the SBOE with adopting and updating the essential knowledge and skills for the required curriculum. The SBOE determined that the adopted revisions appropriately reflect the knowledge and skills students are expected to learn and should be retained based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One community member stated that removing multiple TEKS limits students' understanding of how government and the political system operate and expressed concern that incomplete instruction weakens preparation for participation in a representative democracy. The commenter explained that foreign policy is a fundamental function of the federal government and noted that students need to understand how foreign policy decisions are made and how they affect daily life. The commenter described how global events, such as international conflicts and disruptions to trade routes, can have direct impacts on issues like energy prices and economic conditions in the United States. The commenter requested that instruction on foreign policy be restored to the standards to ensure students understand how the government operates in a global context and how international affairs influence domestic life.

Response. As a result of public comment, the SBOE took action to amend §113.24(d)(16) at adoption to read, "The Modern Era. The student understands how constitutional principles and foreign policy shaped the modern era. The student is expected to."

STATUTORY AUTHORITY. The new sections are adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(h-3), as added by House Bill (HB) 824, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to adopt essential knowledge and skills for the government component of the social studies curriculum that address specific topics to develop each student's civic knowledge; TEC, §28.002(h-11), as added by Senate Bill 24, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to adopt TEKS for Grades 4-12 social studies, as ap-

propriate, that develop each student's understanding of communist regimes and ideologies; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-24), as added by HB 27, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to allow a student to comply with the curriculum requirement for a one-half credit in personal financial literacy by successfully completing an advanced placement course designated by the SBOE as containing substantively similar and rigorous academic content.

CROSS REFERENCE TO STATUTE. The new sections implement Texas Education Code, §§7.102(c)(4); 28.002(a); (c); (h-3), as added by House Bill (HB) 824, 89th Texas Legislature, Regular Session, 2025; and (h-11) as added by Senate Bill 24, 89th Texas Legislature, Regular Session, 2025; and 28.025(a); and (b-24), as added by HB 27, 89th Texas Legislature, Regular Session, 2025.

§113.24. United States History Studies (One Credit), Adopted 2026.

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2033-2034 school year.

(b) General requirements. This course is recommended for students in Grade 11. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) In United States History Studies, students examine the United States as a nation that believes in freedom as a supreme value and that the constitutional republic established by the Constitution provides the intellectual and legal means to pursue and achieve the many reforms that have, over time and often with struggle, given the benefits of freedom to all Americans.

(A) United States History Studies builds on content introduced in earlier grades and deepens understanding of American identity. The course examines key events, ideas, and experiences that have shaped the nation and its people over time. Emphasis is placed on analyzing the historical development of a shared commitment to individual liberty, representative government, and the free enterprise system and on evaluating how these enduring values continue to influence American society.

(B) The course emphasizes major themes drawn from the knowledge and skills statements and student expectations that highlight defining moments in the development of the nation. Instruction focuses on the American Revolution and the United States Constitution as the founding of the nation; the Civil War as a defining test that strengthened national unity; participation in the First and Second World Wars that established the United States as a global power and tested national principles; the Cold War as a period that challenged national resolve; and the Civil Rights movements as evidence that the Constitution provides a durable framework for reform and the expansion of liberty.

(2) The primary purpose of Texas and American social studies is to educate students to become responsible, self-governing citizens who respect the rights of their fellow citizens and who cherish liberties and laws. Over the course of multiple grades:

(A) students understand how to preserve liberty as citizens who value the idea of civic virtue under the Constitution;

(B) students understand that a constitutional republic is a representative form of government whose elected leaders derive their authority from the consent of the governed and are sworn to uphold the Constitution. Students also understand that the United States was formed as a federal republic, a union of sovereign states, with a general government formed for limited purposes; and

(C) students understand the benefits of the United States free enterprise system, also referred to as capitalism or the free market system. This system, predicated on limited government and strong property rights, emphasizes the individual exercise of economic decisions without government interference, allowing people the opportunity to prosper.

(3) Student expectations are organized around key topics, identified as knowledge and skills statements. Within each key topic, expectations address concepts as they relate to these topics chronologically. Where key topics are thematic rather than chronological, incorporate these thematic concepts into stories and history to create schema for understanding.

(4) Student expectations within each knowledge and skills key topic address the statutory requirements listed in paragraph (6) of this subsection while also making continual connections across those key topics and grade levels. Student expectations are organized chronologically through recurring strands coded at the end of each student expectation. Strands include:

(A) History (World, United States, and Texas), coded with H;

(B) Government and Civics, coded with G/Civ;

(C) Geography and Culture, coded with Geo/C;

(D) Economics, coded with E; and

(E) Social Studies Skills, based on disciplinary thinking skills, coded with S.

(5) Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions. Where appropriate, skills should include:

(A) formulate compelling and supporting questions to frame historical inquiry about significant events, individuals, and developments in United States history (H, S);

(B) analyze primary and secondary sources by applying sourcing skills, including identifying the author's purpose, audience, historical situation, and point of view (H, S);

(C) contextualize primary and secondary sources by explaining the broader historical circumstances in which they were created and how those circumstances shaped their content (H, S);

(D) corroborate evidence across multiple primary and secondary sources to evaluate agreements, contradictions, and gaps in the historical record (H, S);

(E) evaluate the credibility, reliability, and limitations of primary and secondary sources, including digital sources, using criteria such as corroboration, authorship, and historical context (H, S);

(F) construct a written historical argument that states a defensible claim, supports it with evidence from multiple sources, and uses reasoning to connect evidence to the claim (H, G/Civ, S);

(G) interpret maps, charts, graphs, political cartoons, photographs, and other visual sources to draw and support historical conclusions (H, Geo/C, S);

(H) analyze cause-and-effect relationships among historical events, distinguishing between immediate causes and long-term contributing factors and evaluating the relative significance of each (H, S);

(I) analyze change and continuity over time by identifying patterns, turning points, and long-term consequences in United States history (H, S);

(J) apply chronological reasoning, including sequencing, periodization, and use of timelines, to understand the development of the United States over time (H, S); and

(K) engage in civil discourse about social studies topics, including those with multiple perspectives (G/Civ, S).

(6) Student expectations embed relevant statutory requirements, including:

(A) Texas Education Code (TEC), §28.002(a)(1)(D)--Social Studies, consisting of Texas, United States, and world history; government; economics, with emphasis on the free enterprise system and its benefits; and geography;

(B) TEC, §28.002(a)(2)(G)--Religious Literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature;

(C) TEC, §28.002(h)--Informed American Patriotism, Texas History, and the Free Enterprise System;

(D) TEC, §28.002(h-1)(1)-(3), (h-2)(1)-(3), and (h-3)--Knowledge of Civics;

(E) TEC, §28.002(h-1)(4)--Founding documents and primary sources of the United States;

(F) TEC, §28.002(h-11) and (h-12)--Understanding of Communist Regimes and Ideologies (for Grades 4 and higher);

(G) TEC, §28.0022--Certain instructional requirements and prohibitions;

(H) TEC, §29.907--Celebrate Freedom Week;

(I) TEC, §29.9071--Texas Military Heroes Day; and

(J) TEC, §29.9072--Holocaust Remembrance Week.

(7) There is no effective study of social studies without review of primary sources. In certain circumstances, specific primary sources are named in the Texas Essential Knowledge and Skills (TEKS), but instructional materials should include additional primary sources relevant to subjects identified in the TEKS. Primary sources are embedded as appropriate within the context of the study of history. Additional primary source material, including written documents, visual sources, audio and audio-visual sources, oral sources, and artifacts are encouraged. Primary source material should be used where appropriate and must be used when identified in a student expectation. In early grades, before students have requisite reading skills to read directly from copies of primary sources, the primary source materials should be included as a visual aid.

(8) To support the teaching of essential knowledge and skills, the use of a variety of rich material is encouraged. Where appropriate, local topics should be included to create relevance. Motivating resources are available from museums, historical sites, presidential libraries, local and state civic offices, and preservation societies.

(9) The list of places, events, and people in this course curriculum is not considered exhaustive. Additional examples aligned with statutes listed in paragraph (6) of this subsection can be incorporated as time permits. Statements that contain the word "including" reference content that must be mastered.

(d) Knowledge and skills.

(1) Exploration. The student understands reasons for European exploration and colonization in America. The student is expected to describe motivations for European exploration, including political, economic, and religious (G/Civ, Geo/C, E).

(2) Colonial Life and Government. The student understands English colonial life and government in North America. The student is expected to:

(A) identify that religious freedom was a motivation for the founding of several English colonies, including Massachusetts, Rhode Island, Pennsylvania, and Maryland (Geo/C);

(B) compare reasons for settlement and explain how geography influenced economic activities and labor systems in the New England, Middle, and Southern colonies (Geo/C, E, S);

(C) explain the significance of early examples of representative government in the English colonies, including the Mayflower Compact, House of Burgesses, and Fundamental Orders of Connecticut (G/Civ); and

(D) identify the significance of English legal traditions of common law and jury trial on colonial governments (G/Civ).

(3) American Revolution. The student understands political, economic, and philosophical factors that contributed to the American Revolution. The student is expected to:

(A) analyze how the French and Indian War resulted in changes to British policy that contributed to the American Revolution, including enforcement of the Navigation Acts, Proclamation Line of 1763, tax acts, and the end of salutary neglect (H, G/Civ, E, S);

(B) explain American resistance to British policies following the French and Indian War, including the Boston Massacre and the Boston Tea Party (H, G/Civ, E);

(C) explain the significance of the Declaration of Independence to the American cause, including the Preamble, the statement of natural rights, assertion of the purpose of government to protect individual rights, colonial grievances against Britain, remedies, and the assertion of independence (G/Civ);

(D) identify intellectual influences, including the Bible, Greek and Roman thought, English common law, and the First Great Awakening, on the American Revolution and the new American government (G/Civ);

(E) explain how Enlightenment ideas served as inspiration for the Declaration of Independence, including the role of John Locke, the Virginia Declaration of Rights, and Thomas Paine's Common Sense (G/Civ, S);

(F) explain that slavery existed in many societies throughout history, including at the time of colonization, among some Indigenous peoples in America, in Africa, the Middle East, and Southeast Asia, and earlier, in ancient civilizations, and identify colonial opposition, including the Quakers, to the practice of slavery (H, G/Civ);

(G) describe how key Revolutionary War events, including Lexington and Concord, Trenton, Saratoga, Valley Forge, and Yorktown, led to victory and the Treaty of Paris (1783) (H);

(H) explain reasons for the American victory against British tyranny in the American Revolution, including the geographic

advantage of fighting on their own land, foreign allied intervention, other British war obligations, the belief in Divine Providence, and rallying Americans around the idea of freedom (H, G/Civ, E);

(I) identify the role of individual patriots during the Revolutionary Era, including George Washington, John Adams, and Thomas Jefferson (H); and

(J) identify themes of patriotism in Phillis Wheatley's "His Excellency General Washington" (H, Geo/C).

(4) American Revolution. The student understands the United States Constitution and reasons for its adoption. The student is expected to:

(A) explain the limitations of the Articles of Confederation, including the significance of Shays' Rebellion, and the factors that led to the Constitutional Convention (G/Civ);

(B) describe how the Northwest Ordinance (1787) prohibited slavery in the Northwest Territory and established a process for the creation of new states (H, G/Civ);

(C) analyze how the Constitutional Convention established America as a constitutional republic, including the role of James Madison, The Great Compromise, rights of individuals and states, and the Three-fifths Compromise (G/Civ, S);

(D) explain the debate between Federalists and Anti-Federalists over the ratification of the United States Constitution and the Bill of Rights (G/Civ); and

(E) identify the key rights protected in the Bill of Rights and explain how these rights addressed grievances in the Declaration of Independence, including freedom of religion, speech, press, assembly, and petition; the right to keep and bear arms; protection from unreasonable searches and seizures; and the rights of due process and trial by jury (G/Civ).

(5) New Nation. The student understands the key events in the first five presidencies of the New Nation. The student is expected to:

(A) analyze the significance of the Election of 1800, including the peaceful transfer of power, as a key event that led to the establishment of a secure republican order (H, G/Civ);

(B) describe key developments that strengthened the new nation, including Washington's Farewell Address, Marbury v. Madison, the Louisiana Purchase, the Barbary Wars, the Prohibition on the Importation of Slaves, the Missouri Compromise, and the Monroe Doctrine (H, G/Civ, Geo/C); and

(C) explain the significance of the War of 1812 in confirming American independence, including recognition of American sovereignty and development of national identity (G/Civ).

(6) National Expansion and Reform. The student understands national expansion and reform. The student is expected to:

(A) identify examples of the value of civic virtue, voluntary associations, and local self-government described in Alexis de Tocqueville's Democracy in America, Volume 1, Part 3, Chapters 4 and 10 (H, G/Civ);

(B) describe Jacksonian Democracy as a political movement that expanded voting rights by eliminating property requirements and emphasized the power of the common man (H, G/Civ);

(C) explain the major constitutional debates of Andrew Jackson's presidency, including the Nullification Crisis, the Indian Removal Act, the elimination of the Second Bank of the United States, and the Trail of Tears (H, G/Civ, Geo/C);

(D) explain the role of the Texas Revolution, the Battle of the Alamo, and the admission of Texas to the United States in the broader context of American westward expansion (H, G/Civ, Geo/C);

(E) explain how the Mexican-American War resulted in sectional conflict over the expansion of slavery into new territories, including territory acquired through the Treaty of Guadalupe Hidalgo (H, Geo/C);

(F) explain the religious influence of the Second Great Awakening on fueling major Antebellum reform movements, including temperance, early women's suffrage, and abolition (G/Civ);

(G) describe the early women's suffrage movement, including the 1848 Seneca Falls Convention, and identify key leaders, including Susan B. Anthony and Elizabeth Cady Stanton (H, G/Civ);

(H) identify notable figures of the abolitionist movement, including William Lloyd Garrison and Harriet Tubman (H, G/Civ); and

(I) identify ideas of liberty in Frederick Douglass's speeches, including "The Meaning of July Fourth for the Negro" and "What the Black Man Wants" (H, G/Civ).

(7) Sectionalism, Civil War, and Reconstruction. The student understands Antebellum economy, society, and culture. The student is expected to:

(A) describe advancements of the early Industrial Revolution, including the steam engine, the Erie Canal, the telegraph, and the factory system in the north, which increased the northern demand for cotton (Geo/C, E); and

(B) describe Southern slavery, including slave life on plantations and farms across the South, and explain the cotton gin and its effect on the economics of slavery and domestic slave trade (Geo/C, E).

(8) Sectionalism, Civil War, and Reconstruction. The student understands how sectional differences led to the Civil War. The student is expected to:

(A) compare the urban and industrial economy of the North to the rural and agricultural economy of the South (Geo/C, E, S);

(B) explain the main causes of sectionalism leading to the Civil War, including the expansion of slavery, the Fugitive Slave Act in the Compromise of 1850, disagreements over states' rights, and tariffs (G/Civ, Geo/C, E, S);

(C) identify key developments that strengthened sectional tensions over slavery, including Uncle Tom's Cabin, Kansas Nebraska Act, Dred Scott v. Sandford (1857), and John Brown's raid (H, G/Civ, Geo/C); and

(D) evaluate how the argument of popular sovereignty fractured national politics regarding the expansion of slavery, including excerpts in the first Lincoln-Douglas debate (H, G/Civ).

(9) Sectionalism, Civil War, and Reconstruction. The student understands the course of events of the Civil War. The student is expected to:

(A) explain the toll of key Civil War battles on the nation, including Fort Sumter, Antietam, Gettysburg, Vicksburg, Sherman's March to the Sea, and the Battle of Appomattox Court House in

Virginia, that resulted in General Lee's surrender to General Grant (H, G/Civ, Geo/C);

(B) identify that border states permitted slavery but remained in the Union during the Civil War because of strong Unionist sentiment and the belief that slavery could be preserved without secession (H, G/Civ);

(C) explain the advantages and disadvantages of both sides during the Civil War, including resources and military expertise (Geo/C, E);

(D) explain how Ulysses S. Grant viewed service to the United States, including excerpts from Chapter I "Personal Memories of U. S. Grant" (H, G/Civ);

(E) describe how both the Emancipation Proclamation and the Gettysburg Address reflect constitutional principles, including preservation of the Union, expansion of liberty, and that the government derives its authority from the people (H, G/Civ); and

(F) identify Galveston as the location of the Juneteenth announcement (H, Geo/C).

(10) Sectionalism, Civil War, and Reconstruction. The student understands the immediate effects of the Civil War during Reconstruction. The student is expected to:

(A) describe the expansion of rights in the United States established by the 13th, 14th, and 15th Amendments (G/Civ);

(B) analyze how Lincoln's assassination altered the plans for Reconstruction, including the Ten Percent Plan (H, S);

(C) compare the Reconstruction plans of Johnson and Congress, including differences in how quickly Southern states should be readmitted and how the rights of formerly enslaved people should be protected (G/Civ, S);

(D) describe the Southern reactions to Reconstruction, including Black Codes, the Ku Klux Klan, sharecropping, and the election of African American men to political office (Geo/C, E); and

(E) explain how the end of Reconstruction and the failure to enforce the 14th and 15th Amendments contributed to the rise of Jim Crow segregation (G/Civ, S).

(11) The Rise of Industrial America. The student understands the domestic issues from the rise of industrial America, the Gilded Age, and the Progressive Era. The student is expected to:

(A) describe the role of the federal government in westward migration, including the Homestead Act, the Morrill Act, the Indian Wars, the Buffalo Soldiers, and the Dawes Act (H, G/Civ, Geo/C, E);

(B) describe the end of the open range, including the introduction of barbed wire in Texas (H, Geo/C, E);

(C) identify the role of key figures, including John D. Rockefeller, Andrew Carnegie, and Henry Ford, in the American free enterprise system that led to major economic and industrial growth from the late 19th to the early 20th centuries (H, E);

(D) explain how economic opportunity and the promise of freedom attracted immigrants to the United States in the late 19th to the early 20th centuries and describe responses, including the melting pot ideal, the Hull House, and the Chinese Exclusion Act (H, G/Civ, Geo/C);

(E) explain the economic factors and working conditions that contributed to the origins of labor unions, including child labor (G/Civ, Geo/C, E);

(F) explain why farmers supported the Populist reform movement, including the formation of the Populist Party, as a response to political machines and monopolists (G/Civ, E);

(G) describe the transition from laissez-faire policies to increased federal regulations begun during the Gilded Age, including the Interstate Commerce Act and the Sherman Anti-Trust Act (G/Civ, E, S); and

(H) describe key advancements for African Americans after the Civil War, including community-building with Booker T. Washington, civic participation with the National Association for the Advancement of Colored People (NAACP), the expansion of economic opportunity through Black Wall Street, the entrepreneurial success of Madame C.J. Walker, and the Great Migration (G/Civ, E).

(12) World War I. The student understands the Age of Expansion and World War I contributing to America becoming a world power. The student is expected to:

(A) explain how the Monroe Doctrine influenced America's growing role in world affairs from the Civil War to 1914, including the Spanish-American War and the Panama Canal, and explain how concern over equal access to markets led to the annexation of Hawaii and the Open Door Policy (H, G/Civ, Geo/C, E);

(B) explain the causes for America's involvement in World War I, including economic ties to allies, unrestricted submarine warfare, and the Zimmermann Telegram (H, G/Civ, E);

(C) describe America's military contributions to World War I, including the American Expeditionary Force, Harlem Hellfighters, Meuse-Argonne Offensive, and Alvin York (H); and

(D) explain the significance of the Treaty of Versailles, including its terms, and the conditions it created for future conflict (H, G/Civ).

(13) Interwar Period. The student understands the Interwar Period. The student is expected to:

(A) describe how American society changed in the Roaring Twenties, including prohibition, the 19th Amendment, the Harlem Renaissance, the emergence of consumer culture influenced by radio and movies, and the Tulsa Race Riots (H, G/Civ, Geo/C);

(B) analyze how factors, including the stock market crash, bank failures, monetary policy, tariffs, and the Dust Bowl, contributed to the onset and severity of the Great Depression (H, E, S); and

(C) analyze the extent to which responses to the Great Depression, including the New Deal programs, alleviated economic hardship without fully ending the Depression (G/Civ, E, S).

(14) World War II. The student understands World War II. The student is expected to:

(A) describe the rise of totalitarian regimes, including Hitler, Mussolini, Stalin, and Tojo, and contrast the limited rights of citizens in those regimes with rights of citizens in the United States (H, G/Civ);

(B) identify the United Kingdom's policy of appeasement under Prime Minister Neville Chamberlain (H);

(C) describe key events of early World War II in Europe, including Germany's expansion through the partition of Poland and the Western Campaign and Allied resistance through the Battle of Britain and the Battle of the Atlantic (H, Geo/C);

(D) describe American debates over neutrality, including isolationism, the special relationship between Churchill and Roosevelt, Lend Lease, and embargo on Japan (H, G/Civ, E);

(E) identify reasons for U.S. involvement in World War II, including Axis aggression and the attack on Pearl Harbor (H, Geo/C);

(F) describe changes to the American homefront during World War II, including manufacturing, labor migrations, rationing, the Manhattan Project, the Women Airforce Service Pilots (WASP), Rosie the Riveter, the Bracero Program, and Japanese internment (H, Geo/C, E);

(G) describe American heroes and the events they influenced in the war in Europe, including Eisenhower and D-Day, General George Patton and the Battle of the Bulge, and the Tuskegee Airmen and American bombing campaigns against the Axis (H, Geo/C);

(H) define the Holocaust as the systemic, bureaucratic, and state-sponsored persecution and murder of six million Jews by the Nazi (National Socialist German Workers Party) regime and its collaborators (H, G/Civ);

(I) describe the fall of the Nazis (National Socialist German Workers Party) and explain challenges confronting survivors of the Holocaust, including displacement, loss of family, and fear (H, Geo/C);

(J) explain how the strategy of island hopping and victories, including the Battle of Midway, helped the United States advance toward Japan in the Pacific Theater (H, Geo/C);

(K) identify the contributions of Chester Nimitz and the Navajo Code Talkers at the Battle of Iwo Jima (H, Geo/C); and

(L) explain President Truman's decision to drop the atomic bomb, including the goals of bringing a rapid end to the war and reducing additional casualties as described in "Statement by the President Announcing the Use of the A-Bomb at Hiroshima" (H, G/Civ).

(15) Post-War United States. The student understands post-war United States. The student is expected to:

(A) describe America's post war prosperity due to the free enterprise system, including the baby boom, GI Bill, suburbs, and interstate highways from 1945 (H, G/Civ, Geo/C, E);

(B) contrast communism and free enterprise, including property ownership, the role of government in the economy, and individual economic freedom (G/Civ, E, S);

(C) describe the role of the Soviet Union in spreading communism through satellite states in Eastern Europe and proxy wars in Asia and Latin America (H, Geo/C);

(D) explain how the United States used containment, including the Korean War, the Cuban Missile Crisis, the Vietnam War, and the Space Race, to limit the spread of communism during the Cold War (H, G/Civ, Geo/C);

(E) explain domestic anticommunism movements, including the role of Billy Graham and the use of "under God, " as a way to highlight America's moral and spiritual foundations distinguishing the United States from atheistic communist governments (G/Civ);

(F) explain key civil rights legislation and Supreme Court cases, including Sweatt v. Painter, Brown v. Board of Education, the Civil Rights Act of 1964, the Voting Rights Act of 1965, and Title IX (H, G/Civ);

(G) explain how the 14th Amendment was used in Abington School District v. Schempp to apply 1st Amendment protections to public schools and school prayer (H, G/Civ);

(H) identify the significance of key civil rights leaders, including Dr. Martin Luther King, Jr.; Thurgood Marshall; Texan Barbara Jordan; and Hector P. Garcia (H, G/Civ);

(I) explain how biblical imagery and founding principles of equality and justice from the Declaration of Independence are articulated in King's "I Have a Dream" speech (H, G/Civ);

(J) identify 1948 as the year the modern state of Israel was established in the ancestral homeland of the Jews and U.S. President Truman became the first world leader to formally recognize Israel (H, G/Civ);

(K) explain the expansion of the federal government because of Lyndon B. Johnson's Great Society programs, the loss of trust in government because of Watergate, and the effect of the oil embargo on the American economy (G/Civ, Geo/C, E);

(L) identify the negative effects of the counterculture movement of the 1960s through the 1970s, including changing attitudes toward marriage, changes in rates of divorce, and the difference between the rate of poverty in married households and divorced households (G/Civ, Geo/C, E);

(M) identify Ronald Reagan's arguments for limited government, individual liberty, and free enterprise in "A Time for Choosing" (H, G/Civ);

(N) describe how Reagan's leadership was exemplified through the release of the hostages in Iran, deregulation of the economy, and the fall of the Berlin Wall resulting in the end of the Cold War (H, G/Civ, Geo/C); and

(O) describe arguments about the negative effects from the development of the modern welfare state that emerged from continued expansion of Great Society programs (H, G/Civ, E).

(16) The Modern Era. The student understands how constitutional principles and foreign policy shaped the modern era. The student is expected to:

(A) identify key changes in America's foreign relationships in the modern era, including the Gulf War and North American Free Trade Agreement (NAFTA) (H, G/Civ, Geo/C, E);

(B) identify the significance of the September 11, 2001 terrorist attacks motivated by radical Islam, including the roles of George W. Bush, Colin Powell, and Condoleezza Rice; the launch of the Global War on Terror in Afghanistan and Iraq; and the decline of civil liberties due to the PATRIOT Act (H, G/Civ); and

(C) identify the election of Barack Obama in 2008 as the first black president (H, G/Civ).

§113.25. United States Government (One-Half Credit), Adopted 2026.

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2033-2034 school year.

(b) General requirements. Students shall be awarded one-half credit for successful completion of this course.

(c) Introduction.

(1) United States Government builds on the historical foundations introduced in earlier grades by examining the principles, institutions, and constitutional structures that define the American constitu-

tional federal republic. The United States Constitution is the required foundational text for this course and, together with the Declaration of Independence, serves as the enduring foundation for the study of American government. Students use the text of the Constitution throughout the course, using it as the primary source and organizing framework for understanding the organization, powers, limitations, and enduring principles of the American constitutional federal republic. The course emphasizes the Constitution as an enduring expression of natural rights, limited government, the rule of law, popular sovereignty, separation of powers, checks and balances, federalism, and representative government. Students examine how these constitutional principles have preserved liberty while providing a durable framework for self-government and constitutional change. The course examines the structure, functions, and powers of the national, state, and local governments established under the Constitution and analyzes how the constitutional balance of power has evolved through amendments, Supreme Court decisions, and historical developments while preserving the Constitution's enduring principles. Throughout the course, students regularly reference and interpret the text of the United States Constitution to examine governmental powers, civic institutions, and constitutional issues. Students also examine the unique structure of Texas government as an expression of federalism and its role in preserving the liberty interests of Texans.

(2) The primary purpose of Texas and American social studies is to educate students to become responsible, self-governing citizens who respect the rights of their fellow citizens and who cherish liberties and laws. Over the course of multiple grades:

(A) students understand how to preserve liberty as citizens who value the idea of civic virtue under the Constitution;

(B) students understand that a constitutional republic is a representative form of government whose elected leaders derive their authority from the consent of the governed and are sworn to uphold the Constitution. Students also understand that the United States was formed as a federal republic, a union of sovereign states, with a general government formed for limited purposes; and

(C) students understand the benefits of the United States free enterprise system, also referred to as capitalism or the free market system. This system, predicated on limited government and strong property rights, emphasizes the individual exercise of economic decisions without government interference, allowing people the opportunity to prosper.

(3) Student expectations are organized around key topics, identified as knowledge and skills statements. Within each key topic, expectations address concepts as they relate to these topics chronologically. Where key topics are thematic rather than chronological, incorporate these thematic concepts into stories and history to create schema for understanding.

(4) Student expectations within each knowledge and skills key topic address the statutory requirements listed in paragraph (6) of this subsection while also making continual connections across those key topics and grade levels. Student expectations are organized chronologically through recurring strands coded at the end of each student expectation. Strands include:

(A) History (World, United States, and Texas), coded with H;

(B) Government and Civics, coded with G/Civ;

(C) Geography and Culture, coded with Geo/C;

(D) Economics, coded with E; and

(E) Social Studies Skills, based on disciplinary thinking skills, coded with S.

(5) Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions. Where appropriate, skills should include:

(A) explain governmental and democratic processes such as voting, due process, and caucuses using simulations and models (G/Civ, S);

(B) analyze primary documents, including founding documents, Supreme Court decisions, and legislative texts, to identify constitutional principles, author's purpose, and historical context (H, G/Civ, S);

(C) construct and defend an evidence-based argument supported with evidence and using reasoning to connect evidence to the claim (G/Civ, S);

(D) engage in civil discourse about social studies topics, including those with multiple perspectives (G/Civ, S);

(E) evaluate the reliability, bias, and perspective of sources related to government and civic issues (G/Civ, S); and

(F) apply constitutional reasoning to analyze a public policy issue, identifying relevant constitutional principles, evaluating competing perspectives, and proposing and justifying a solution (G/Civ, S).

(6) Student expectations embed relevant statutory requirements, including:

(A) Texas Education Code (TEC), §28.002(a)(1)(D)--Social Studies, consisting of Texas, United States, and world history; government; economics, with emphasis on the free enterprise system and its benefits; and geography;

(B) TEC, §28.002(a)(2)(G)--Religious Literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature;

(C) TEC, §28.002(h)--Informed American Patriotism, Texas History, and the Free Enterprise System;

(D) TEC, §28.002(h-1)(1)-(3), (h-2)(1)-(3), and (h-3)--Knowledge of Civics;

(E) TEC, §28.002(h-1)(4)--Founding documents and primary sources of the United States;

(F) TEC, §28.002(h-11) and (h-12)--Understanding of Communist Regimes and Ideologies (for Grades 4 and higher);

(G) TEC, §28.0022--Certain instructional requirements and prohibitions;

(H) TEC, §29.907--Celebrate Freedom Week;

(I) TEC, §29.9071--Texas Military Heroes Day; and

(J) TEC, §29.9072--Holocaust Remembrance Week.

(7) There is no effective study of social studies without review of primary sources. In certain circumstances, specific primary sources are named in the Texas Essential Knowledge and Skills (TEKS), but instructional materials should include additional primary sources relevant to subjects identified in the TEKS. Primary sources are embedded as appropriate within the context of the study of history. Additional primary source material, including written documents, visual sources, audio and audio-visual sources, oral sources, and arti-

facts are encouraged. Primary source material should be used where appropriate and must be used when identified in a student expectation. In early grades, before students have requisite reading skills to read directly from copies of primary sources, the primary source materials should be included as a visual aid.

(8) To support the teaching of essential knowledge and skills, the use of a variety of rich material is encouraged. Where appropriate, local topics should be included to create relevance. Motivating resources are available from museums, historical sites, presidential libraries, local and state civic offices, and preservation societies.

(9) The list of places, events, and people in this course curriculum is not considered exhaustive. Additional examples aligned with statutes listed in paragraph (6) of this subsection can be incorporated as time permits. Statements that contain the word "including" reference content that must be mastered.

(d) Knowledge and skills.

(1) Historical Roots of the Constitutional Republic. The student understands different forms of government and the importance of civic virtue in the American republic. The student is expected to:

(A) contrast the role of citizens in different forms of government, including a republic, democracy, oligarchy, monarchy, theocracy, and dictatorship, and explain Aristotle's distinction between governments that serve the common good and those that serve private interests in Book III of Politics (H, G/Civ);

(B) describe characteristics of civic virtue, including self-sacrifice, public service, civic responsibility, and placing the public good above self-interest (G/Civ);

(C) describe the role of religion in relation to America's core ideals, including civic virtue, limited government, rule of law, and preservation of liberty, and recite and explain John Adams's statement, "Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other." (H, G/Civ); and

(D) explain Washington's emphasis on civic virtue, national unity, and patriotism using excerpts from "Washington's Farewell Address (1796)" (H, G/Civ, S).

(2) Historical Roots of the Constitutional Republic. The student understands limited government. The student is expected to:

(A) explain Sir William Blackstone's view that human law should conform to the law of nature and God's revealed law found in the Hebrew Scriptures and New Testament (H, G/Civ);

(B) identify characteristics of limited government, including constitutional constraints, separation of powers, popular sovereignty, and checks and balances (G/Civ); and

(C) analyze Montesquieu's explanation of how the separation of powers preserves political liberty in excerpts from Chapter 6, Book XI, of "The Spirit of the Laws" (G/Civ).

(3) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the Declaration of Independence. The student is expected to:

(A) explain Locke's justification for natural rights and private property using excerpts from Chapter V of the "Second Treatise of Civil Government" (H, G/Civ);

(B) read the Declaration of Independence and identify natural rights, including "the laws of nature and of nature's God," and explain the Declaration's assertion that these rights are "endowed by their Creator" (G/Civ);

(C) summarize the purpose of the Declaration of Independence as justification of separation from a tyrannical government (G/Civ, S); and

(D) analyze the cause-and-effect relationship between grievances listed in the Declaration of Independence and protections as restraints on government established in the United States Constitution and Bill of Rights (G/Civ, S).

(4) Historical Roots of the Constitutional Republic. The student understands that the preservation of liberty in a constitutional republic depends upon limited government and responsible self-government. The student is expected to:

(A) explain that the legitimate purpose of government is to secure natural rights and that just government derives its authority from the consent of the governed (G/Civ);

(B) explain how constitutional limitations on government power protect individual liberty and guard against tyranny (G/Civ);

(C) describe the role of freedom of conscience in protecting individual liberty within a constitutional republic (G/Civ); and

(D) explain the importance of families, religious institutions, voluntary associations, and community organizations in promoting civic virtue, self-government, and the preservation of liberty (G/Civ).

(5) Historical Roots and Founding Documents of the Constitutional Republic. The student understands debates between the Federalists and Anti-Federalists that shaped the United States Constitution. The student is expected to:

(A) explain how the weaknesses of the Articles of Confederation, including no independent executive, no national courts, and no power to tax, led to the Constitutional Convention of 1787 (G/Civ);

(B) analyze arguments supporting the ratification of the United States Constitution in Federalist No. 10 on controlling factions, Federalist No. 51 on separation of powers and checks and balances, and Federalist No. 78 on the role of the independent judiciary (G/Civ, S);

(C) identify arguments against the ratification of the United States Constitution within Brutus, including concerns about losing state sovereignty, a strong central government, limits on individual liberties, and the need for a bill of rights (G/Civ, S);

(D) recite the Preamble to the United States Constitution and explain its purposes, including establishing justice, ensuring domestic tranquility, providing for the common defense, promoting the general welfare, and securing the blessings of liberty (H, G/Civ); and

(E) identify that Article VII established the process by which the United States Constitution became effective upon ratification by nine states and explain the significance of its eventual ratification by all 13 original states in strengthening the legitimacy and unity of the new nation (H, G/Civ).

(6) Historical Roots and Founding Documents of the Constitutional Republic. The student understands how the Articles of the United States Constitution and amendments to the Constitution shaped the constitutional republic. The student is expected to:

(A) identify the constitutional functions established by each of the seven articles of the United States Constitution (G/Civ);

(B) explain how the seven articles of the United States Constitution establish the principles of popular sovereignty, republicanism, federalism, separation of powers, checks and balances, and limited government (G/Civ);

(C) explain how individual liberty is protected by the United States Constitution, including protections from ex post facto and bill of attainder laws (G/Civ);

(D) describe the constitutional amendment process established in Article V of the United States Constitution and explain how its high threshold balances constitutional stability with the ability to amend the Constitution through broad national consensus (G/Civ);

(E) identify the number of amendments to the United States Constitution and that the Bill of Rights consists of the first 10 amendments (G/Civ); and

(F) explain how the 18th and 21st Amendments demonstrate that the Article V amendment process may be used both to establish a national constitutional policy and to repeal that policy, restoring primary authority to the states (H, G/Civ).

(7) Historical Roots and Founding Documents of the Constitutional Republic. The student understands the principles involved in the protection of individual property rights. The student is expected to:

(A) analyze constitutional protections of private property rights, including protections found in the Takings and Due Process Clauses in the 5th and 14th Amendments (G/Civ, E);

(B) explain how private property rights and voluntary exchange promote economic liberty within the American constitutional republic (G/Civ, E); and

(C) contrast the relationship between economic freedom and political freedom in communism, socialism, and capitalism using Milton Friedman's "Bright Promises, Dismal Performance: An Economist's Protest" (G/Civ, E).

(8) Three Branches of the Federal Government (Legislative, Executive, Judicial). The student understands separation of powers within the three branches of the federal government. The student is expected to:

(A) describe the structure of the legislative branch established in Article I, including bicameralism, membership of the House of Representatives and Senate, leadership, and committees (G/Civ);

(B) describe the constitutional powers and procedures of the legislative branch, including enacting laws, declaring war, levying taxes, appropriating funds, oversight of the executive branch, impeachment, constitutional voting requirements, and Senate confirmation of treaties and presidential appointments (G/Civ);

(C) describe the structure of the executive branch established in Article II, including the President, Vice President, Cabinet, and executive departments and agencies (G/Civ);

(D) describe the constitutional powers of the executive branch, including faithfully executing the laws, serving as commander in chief, conducting foreign policy, issuing vetoes and pardons, and appointing judges and executive officers (G/Civ);

(E) describe the structure of the judicial branch established in Article III, including the Supreme Court and lower federal courts (G/Civ);

(F) describe the constitutional powers of the judicial branch, including resolving cases and controversies; interpreting the Constitution and federal law; exercising the power of judicial review as established in Marbury v. Madison; and the appointment, confirmation, and lifetime tenure of federal judges and Supreme Court justices (H, G/Civ); and

(G) explain how the constitutional powers of each branch provide checks and balances that preserve limited government and prevent the concentration of power (G/Civ).

(9) Federalism. The student understands how the United States Constitution allocates powers between the national and state governments and how federalism preserves both national unity and state sovereignty. The student is expected to:

(A) compare the types of republican governments, including unitary, confederal, and federal government (G/Civ);

(B) identify Congress's enumerated powers in Article I, Section 8 of the United States Constitution and explain the role of the powers in the federal system (G/Civ);

(C) explain how Article I, Section 8, Clause 18 (the Necessary and Proper Clause) authorizes implied powers and how McCulloch v. Maryland interpreted the clause to expand the authority of the national government (H, G/Civ);

(D) explain the 10th Amendment and distinguish between reserved and concurrent powers in the federal system (G/Civ);

(E) explain how Article VI, including the Supremacy Clause, resolves conflicts between federal and state law within the federal system (G/Civ);

(F) identify that Article IV governs relations among the states, including full faith and credit and the guarantee of a republican form of government (G/Civ);

(G) explain how the 16th Amendment expanded the federal government's authority to levy an income tax and contributed to the growth of the national government (H, G/Civ);

(H) explain the purpose of the 17th Amendment in establishing direct election of United States Senators and explain how direct election expanded the role of citizens in selecting members of the United States Senate (H, G/Civ); and

(I) analyze how New Deal interpretations of the Commerce Clause expanded federal authority over economic activities and transformed the balance of power between the national and state governments (H, G/Civ).

(10) Civil Liberties and Civil Rights. The student understands how the United States Constitution protects individual liberty by limiting the powers of government and secures civil rights. The student is expected to:

(A) define civil liberty; identify the civil liberties protected in the Bill of Rights, including freedom of speech, freedom of religion, and freedom of the press; and explain that, when originally ratified, they limited only the powers of the federal government (G/Civ, S);

(B) define civil rights and identify civil rights guaranteed by the 14th Amendment, including equal protection and due process clauses (G, Civ, S);

(C) explain how the 14th Amendment transformed federalism by expanding federal authority over state governments, including its immediate effects during Reconstruction and the incorporation of most provisions of the Bill of Rights over time through Supreme Court decisions (H, G/Civ); and

(D) explain how the 15th Amendment expanded federal authority over state governments to protect voting rights during Reconstruction and later during the Civil Rights movement (H, G/Civ).

(11) Administrative State. The student understands the historical development, constitutional role, and expansion of the Administrative State in implementing and enforcing federal law. The student is expected to explain the role of executive branch agencies with the expansion of the federal government, including the creation of rules that carry the force of law, the enforcement of rules, the adjudication of rule violations, and the expansion of executive branch agencies (H, G/Civ).

(12) Electing Federal Officials. The student understands the constitutional provisions governing the election of federal officials, the role of political parties in the electoral process, and the responsibilities of citizens in a constitutional republic. The student is expected to:

(A) identify the constitutional authority for elections, including Article I, Section 4 of the United States Constitution and the role of state constitutions in establishing state and local offices (G/Civ);

(B) identify the constitutional qualifications, terms of office, and succession or vacancy procedures for the President, Vice President, United States Senators, and Representatives (G/Civ);

(C) explain why the United States Constitution establishes two-year terms for Representatives and six-year staggered terms for Senators, including accountability to the people (G/Civ);

(D) explain how representative districts are crafted and reapportioned using census data and demographic patterns (G/Civ, Geo/C);

(E) explain the purpose of the United States Electoral College established in Article II, Section 1 of the United States Constitution as a federalist system that balances the interests of small states and the people in presidential elections (H, G/Civ);

(F) explain the United States Electoral College process of choosing electors to elect the President and Vice President, including the controversial elections of 1800, 1824, 1876, 1888, 2000, and 2016 (H, G/Civ);

(G) explain how the 15th, 19th, 23rd, 24th, and 26th Amendments expanded voting rights and opportunities for participation in the democratic process, fulfilling the United States Constitution's commitment to representative government (H, G/Civ);

(H) explain the emergence of political parties in the United States and how political party nomination processes became incorporated into state election laws (H, G/Civ);

(I) identify that Texas law authorizes political parties to nominate candidates through primary elections and conventions and describe the state's primary, runoff, and general election process (H, G/Civ); and

(J) explain the purpose and significance of the oath to the United States Constitution required of public officials as a commitment to uphold the Constitution rather than a political party, officeholder, or personal interest (G/Civ).

(13) State and Local Government. The student understands Texas state and local governments compared to the United States government. The student is expected to:

(A) explain that the Texas Constitution establishes three branches of government and incorporates the principle of separation of powers in a manner similar to the United States Constitution (G/Civ);

(B) identify that the Texas Legislature consists of 150 state representatives and 31 state senators elected from districts that are apportioned based on information from the census in ways that are similar to members of the United States Congress and that the President of the Texas Senate is the elected Lieutenant Governor (G/Civ);

(C) identify that the Texas executive branch includes an elected Governor, Lieutenant Governor, Attorney General, Comptroller, Commissioner of the General Land Office, Commissioner of Agriculture, three Railroad Commissioners, and fifteen members of the State Board of Education and contrast this with the unitary executive branch structure of the federal government (G/Civ);

(D) identify that the Texas judicial branch includes elected judges who serve as local justices of the peace and on district courts, courts of appeals, and two courts of last resort, including the Texas Court of Criminal Appeals and the Texas Supreme Court, and contrast the approach to electing state judges with the federal approach of appointing judges (G/Civ); and

(E) identify that county, city, and other local governmental entities are authorized to exist under state law and have specific authority to provide certain services and in most cases to levy taxes and issue debt (G/Civ).

(14) Federal, State, County, and Local Elected Officials. The student understands how to identify their elected officials and how to vote. The student is expected to:

(A) describe the requirements for voting, including U.S. citizenship, photo identification and voter registration, and timeline requirements (G/Civ, S);

(B) describe the process to become a registered voter, including obtaining photo identification or identification alternatives for purposes of voting, how to change registration when one moves, and how to obtain an absentee ballot (G/Civ, S);

(C) identify the purpose and typical schedule of primary, primary runoff, municipal, municipal runoff, and general elections for all officials and propositions that could appear on the local ballot (G/Civ, S);

(D) describe how to locate a list of elected officials who represent the student's address, identify the names of the current elected officials, and describe the roles of each elected official (G/Civ, S); and

(E) explain the delegate selection processes and platform development processes of the major parties, beginning at precinct conventions made up of local voters (G/Civ).

(15) Public Meetings. The student understands decorum expectations and procedures used to conduct meetings of governing bodies. The student is expected to:

(A) explain that "Robert's Rules of Order Newly Revised" is a code of ethics designed to facilitate democratic process and is considered the parliamentary standard for most organizations and governing bodies (G/Civ);

(B) explain guiding principles of parliamentary procedure, including the definition of a deliberative assembly; the majority has the right to decide, but the minority has the right to be heard; while the minority disagrees, it must abide by the decision of the majority; and debate must be fair to all concerned (G/Civ);

(C) explain quorum rules, the steps of a motion, and different voting methods and thresholds in a meeting (G/Civ);

(D) explain rules of debate, including both sides must be heard, participants are entitled to only two speeches on a question unless the rules of debate have been modified, the content of a speech must be germane and courteous, and bodies may pass motions to limit or end debate (G/Civ, S);

(E) explain that the Texas Open Meetings Act and similar laws are designed to ensure meetings of governmental bodies happen with transparency, accountability, and fairness (G/Civ); and

(F) identify the meeting schedule, recent agenda topics, and meeting minutes of local governmental bodies, including, where appropriate, the county commissioners court, the city, and the school board of trustees (G/Civ).

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

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19 TAC §113.26

The State Board of Education (SBOE) adopts new §113.26, concerning personal financial literacy. The new section is adopted with changes to the proposed text as published in the July 24, 2026 issue of the *Texas Register* (51 TexReg 4788) and will be republished. The adopted new rule updates the Texas Essential Knowledge and Skills (TEKS) for the high school personal financial literacy course to ensure alignment with requirements in House Bill (HB) 27, 89th Texas Legislature, Regular Session, 2025, and ensure the standards remain current.

REASONED JUSTIFICATION: In accordance with statutory requirements that the SBOE identify by rule the essential knowledge and skills of each subject in the required curriculum, the SBOE follows a board-approved cycle to review and revise the essential knowledge and skills for each subject.

In 2013, the 83rd Texas Legislature passed HB 2662, amending Texas Education Code (TEC), §28.0021, to require school districts and open-enrollment charter schools offering a high school program to provide a one-half credit elective course in personal financial literacy. In January 2016, the SBOE adopted TEKS for the elective course in personal financial literacy to be implemented beginning with the 2016-2017 school year.

In 2021, Senate Bill (SB) 1063, 87th Texas Legislature, Regular Session, amended TEC, §28.025, to add a one-half credit course in personal financial literacy and economics as an option to meet the one-half credit graduation requirement for economics under the Foundation High School Program. SB 1063 required that the SBOE adopt TEKS for the personal financial literacy and economics course and that the required curriculum for the course allocate two-thirds of the instructional time to personal financial literacy and one-third of instructional time to economics. At its June 2022 meeting, the SBOE adopted TEKS for the new course, §113.76, Personal Financial Literacy and Economics, and the rule became effective August 1, 2022.

In 2025, the 89th Texas Legislature, Regular Session, passed HB 27, which revised the high school social studies graduation requirement for students who enter Grade 9 in the 2026-2027 school year and thereafter. Under HB 27, students must successfully complete a one-half credit personal financial literacy course instead of the one-half credit economics course or one-half economics and personal financial literacy and economics course to satisfy the economics requirement under the Foundation High School Program. Additionally, the bill permits students in this cohort to select the third social studies credit required for graduation from one credit in economics, world geography, or world history. As a result, the bill requires the approval of a one-credit economics course for this cohort while the current one-half economics course offerings remain in place for students not subject to HB 27. The bill also added new TEC, §28.025(b-24), requiring the SBOE to allow a student to comply with the personal financial literacy requirement by successfully completing an Advanced Placement (AP) course that contains substantively similar and rigorous academic content.

At the September 2025 meeting, the SBOE approved the social studies framework course sequence and strands for Kindergarten-Grade 8. The SBOE designated content advisors for the social studies TEKS review, and an application to serve on social studies TEKS review work groups was posted on the Texas Education Agency (TEA) website in October 2025. A discussion item regarding content advisor recommendations for key topics to be included in the social studies TEKS framework was presented to the Committee of the Full Board at the November 2025 meeting. The content advisors were also directed to address instructional requirements from HB 27, HB 824, and SB 24 in their recommendations. At the January 2026 meeting, the SBOE approved key topics and subtopics to be included in the new TEKS for social studies. Work group meetings were convened in February 2026 to develop draft recommendations for the new social studies TEKS. As part of the SBOE's process for the review and revision of the TEKS, education service centers (ESCs) collected feedback from educators in their regions on the work group drafts and submitted the feedback to TEA.

The SBOE held a public hearing and discussed the proposed new TEKS for social studies at a special called meeting in February 2026. In March 2026, TEA convened additional work groups to address the feedback from the SBOE and ESC focus groups to finalize their recommendations. At the April 2026 meeting, the SBOE held a public hearing on the proposed new TEKS. At the meeting, the SBOE removed §113.26, Personal Financial Literacy (One-Half Credit), Adopted 2026, from the proposal and directed staff to post on the TEA website both the proposed new course as presented in the April agenda and an alternative version presented during the meeting and to collect informal public feedback. At that time, the SBOE also approved the remaining proposed new rules in Chapter 113, Subchapters A-D, for first reading and filing authorization.

At the June 2026 meeting, the SBOE approved §113.26 for first reading and filing authorization. The SBOE also removed §§113.24, United States History Studies (One Credit), Adopted 2026; 113.25, United States Government (One-Half Credit), Adopted 2026; 113.27, World History Studies (One Credit), Adopted 2026; and 113.28, World Geography Studies (One Credit), Adopted 2026, from the proposal and approved the remaining proposed new rules in Chapter 113, Subchapters A-C, for second reading and final adoption. Chapter 113, Subchapter D, was not approved.

The following changes were made since approved for first reading and filing authorization.

Subsection (a) in §113.26 related to implementation was updated to the 2028-2029 school year.

Subsection (c)(1) in §113.26 was amended to read, "Applied Personal Financial Literacy (PFL) will develop citizens who have the knowledge and skills to make sound, informed financial decisions and practice personal financial responsibility for sustainable financial growth. The knowledge and skills gained in this course have far-reaching effects on individuals, families, communities, and a free enterprise economy. Financially literate citizens are better prepared to earn and manage income, save and invest, build wealth, pursue entrepreneurship, make responsible consumer decisions, and plan for the future with greater financial independence. These individual decisions strengthen the free enterprise system through responsible use of resources, voluntary exchange, and creation of opportunity and wealth."

Subsection (c)(3) in §113.26 was amended to read, "Student expectations are organized around key topics, identified as knowledge and skills statements. Student expectations are not intended to be taught as stand-alone concepts but should be integrated as building blocks within the context of each key topic, where real-world financial decision-making is applied throughout each set of knowledge and skills statements, student expectations, and a selected career pathway."

Subsection (c)(5) in §113.26 was amended to read, "Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions."

Proposed §113.26(d)(1) was amended to read, "(1) Fundamental Concepts of Economics Related to PFL. The student understands how foundational economic principles, ethical decision-making, and personal responsibility are essential to personal financial literacy. The student is expected to."

The following language in proposed §113.26(d)(1) was deleted: (A) define the economic concepts of scarcity, supply, demand, opportunity cost, free enterprise, profit incentive, appreciation, depreciation, financial integrity, and accountability; (B) understand how scarcity drives market prices by applying supply and demand models (E, S); (C) evaluate how opportunity cost impacts personal financial choices by comparing the value of the next best alternative, including responsible prioritization of needs over wants (E, S); (D) describe characteristics of free enterprise, including private property, freedom of choice, profit incentive, competition, limited government, and voluntary exchange, and explain the importance of integrity and accountability in economic interactions (E); and (E) compare how appreciation and depreciation affect asset values and net worth in the context of long-term financial responsibility and planning (E).

New §113.26(d)(1) was added to read, "(A) identify that individuals have personal responsibility, including financial integrity and accountability for their financial choices and the management of personal finances (E); (B) explain Thomas Sowell's principle that scarcity requires individuals to make trade-offs when allocating resources, including time and money (E, S); (C) explain how Adam Smith's concept of the invisible hand illustrates how free enterprise provides opportunities to earn income, own property, save and invest, and build wealth through voluntary exchange (E); and (D) contrast free enterprise with socialist and communist economic systems, including the concept of socialism as a transitional stage toward communism in Marxist theory, and explain how differences in economic freedom and individual financial decision-making affect private property, freedom of choice, voluntary exchange, and wealth building (G/Civ, E)."

The following language in proposed §113.26(d)(2) was deleted: (2) Personal Financial Planning, Goal Setting, and Decision-Making. The student develops a personal framework to guide financial decisions and uses structured critical thinking to evaluate alternatives and discuss decisions. The student is expected to: (A) define the economic concepts of retirement, financial independence, emergency fund, life expectancy, and problem model (E); (B) develop one-year, five-year, and ten-year financial, education, career, and personal goals that are specific, measurable, attainable, realistic, and time based (E, S); (C) create a 10-year personal financial plan with annual benchmarks that integrates education, career, income, saving, investing, major purchases, long-term financial independence goals, and risk management, including a will, financial power of attorney, medical power of attorney, and living will (E, S); (D) describe a future life in 10 years, including desired career, income, education, housing, transportation, saving, emergency funds, retirement, life expectancy or financial independence funding, personal priorities, and life satisfaction (E, S); (E) create a structured decision-making problem model, using relevant information with alternatives, potential outcomes, and financial decisions using evidence and reasoning (E, S); and (F) validate goals and the 10-year personal financial plan as new knowledge, skills, circumstances, and economic conditions are analyzed during the course (E, S).

New §113.26(d)(2) was added to read, "(2) Careers, Postsecondary Education, and Earning Potential. The student applies personal interests, career pathways, labor-market conditions, and postsecondary education options to align career decisions with personal goals and financial plans. The student is expected to: (A) identify aptitudes, personal interests, skills, values, and personality traits that align potential career pathways, using labor-market data to analyze supply and demand, income potential employment trends, comparative advantage, and required skills, and identify industries and employers (E, S); (B) identify employment readiness practices, including résumé preparation, interviewing, and professional appearance, for a selected career pathway (E); (C) describe how education, skills, certifications, technical training, and work-based learning influence income opportunities in a free enterprise labor market (E); (D) compare postsecondary education and training pathways by calculating total costs and analyzing potential debt obligations, expected income, employment outlook, and financial trade-offs to determine potential return on investment (E, S); (E) complete a Free Application for Federal Student Aid (FAFSA), Texas Application for State Financial Aid (TAFSA), or financial aid opt-out form and identify when a student may independently complete and submit the forms (E, S); (F) identify the Montgomery Bill and Texas Hazlewood Act as programs that can help eligible veterans and their dependents pay for postsecondary education and training (G/Civ, E); and (G) explain how creative destruction shapes career opportunities and identify how artificial intelligence (AI) is changing the labor market (E)."

The following language in proposed §113.26(d)(3) was deleted: (3) Careers, Postsecondary Education, and Earning Potential. The student analyzes personal interests, career pathways, labor-market conditions, and postsecondary education options to align career decisions with personal goals and financial plans. The student is expected to: (A) define the economic concepts of labor market data, global competition, comparative advantage,

creative destruction, technical training, and internship (E); (B) identify personal interests, skills, values, and aptitudes and align them with multiple potential career pathways, including careers that may emerge as technology and the economy change (E, S); (C) research career pathways using labor-market data, online resources, and artificial intelligence tools to evaluate income growth, employment trends, global competition, comparative advantage, technological change, creative destruction, required skills, and possible employers (E, S); (D) describe how education, skills, certifications, technical training, internships, and work-based learning influence income opportunities in a competitive free enterprise labor market (E); (E) evaluate postsecondary pathways, including universities, community colleges, technical programs, certificate programs, military options, and industry credentials (E, S); (F) calculate the total cost of postsecondary education or training, including tuition, fees, housing, books, instructional materials, transportation, personal expenses, technology, and related costs, then evaluate the return on investment, opportunity costs, risks, and debt obligations associated with postsecondary education and career pathways (E, S); (G) list funding sources for postsecondary education, including the Free Application for Federal Student Aid (FAFSA) or Texas Application for State Financial Aid (TAFSA), grants, scholarships, work-study, employer-subsidized tuition, internships, student loans, tax credits, and family or personal contributions (E, G/Civ); and (H) add career, education, training, funding, and deadline information to the five-year and ten-year personal financial plan (E, S).

New §113.26(d)(3) was added to read, "(3) Personal Financial Planning, Goal Setting, and Decision-Making. The student understands how to apply financial planning, goal setting, and wealth building across the timeline of life to achieve personal goals, financial independence, and a desired future. The student is expected to: (A) describe how completing education, obtaining full-time employment, and delaying marriage and children until adulthood can support financial stability and long-term wealth building (E); (B) explain how saving and investing, delayed gratification, spending decisions, trade-offs, and a growth mindset contribute to building wealth and achieving personal goals (E); (C) estimate the length of retirement using the Social Security actuarial life expectancy data and identify factors, including family longevity and financial needs, that may affect retirement planning (G/Civ, E, S); (D) describe how families can establish shared financial goals and teach children responsible practices related to earning, saving and investing, spending, and giving for wealth building and achieving personal goals (E, S); and (E) develop a one-, five-, and ten-year plan for a desired future and develop specific, measurable, attainable, realistic, and time-based (SMART) financial goals, including target amounts, timelines, and actions for building wealth, needed to achieve long-term financial independence goals (E, S)."

Proposed §113.26(d)(4) was amended to read, "(4) Consumer Economics and Financial Decision-Making. The student understands how personal financial literacy practices, consumerism, impulse response, and external pressures affect personal financial decisions and demonstrates the ability to apply strategies for responsible, ethical, and informed financial decision-making in a digital age. The student is expected to."

Proposed §113.26(d)(4)(A), which read, "define the economic concepts of consumerism, delayed gratification, marketing strategies, true and sunk costs, risk, simple and compound interest rates, and costs (E, G/Civ)," was replaced by, "distinguish between needs and wants and explain how marketing influences consumer perceptions of needs and wants (E, S)."

Proposed §113.26(d)(4)(B), which read, "interpret how consumerism behaviors can lead to unfavorable financial outcomes and identify strategies, including self-discipline and delayed gratification, to avoid common errors in financial judgment (E, S)," was replaced by, "explain how marketing strategies, including social media influencers, algorithms, fintech platforms, buy now pay later services, and traditional advertising, influence purchasing decisions (Geo/C, E)."

New §113.26(d)(4)(C) was added to read, "analyze how repeated marketing exposure, including the seven-touch contact principle of marketing, affects purchasing decisions (Geo/C, E, S)."

Proposed §113.26(d)(4)(D), which read, "evaluate the credibility and bias of financial information sources by analyzing author, audience, and purpose while considering honesty and integrity in evaluating information (Geo/C, E, S)," was replaced by, "analyze common financial fraud and identity-theft schemes, including phishing, impersonation for fraudulent investment opportunities, and payment-app fraud, and demonstrate strategies for protecting personal financial information and reporting suspected fraud (E, S)."

The following language proposed in §§113.26(d)(4)(E), (F), and (G) was deleted: (E) apply structured financial decision-making frameworks, including cost-benefit analysis and opportunity cost evaluation, to make evidence-based financial decisions and demonstrate accountability for outcomes (E, S); (F) evaluate the true and sunk cost and risks of high-interest credit services by calculating interest costs and analyzing the consequences of missed or late payments (E, S); and (G) examine how generational family financial behaviors influence money patterns, goals, personal responsibility, and decision-making (Geo/C, E, S).

The following language in proposed §113.26(d)(5) was deleted: (5) Earning Income. The student understands sources of income and factors that affect earning potential, compensation, postsecondary pathways, and income-related responsibilities. The student is expected to: (A) define the economic concepts of contract income, royalty income, commission income, interest income, dividends, employment forms, FASFA/TASFA, trade-offs, and gross and net pay (E, G/Civ); (B) identify sources of income, including wages, salaries, tips, contract income, rental income, royalty income, bonuses, commission income, interest income, dividends, and profits (E); (C) research employment forms of the IRS, including W-2, W-4, W-9, 1099, and 1040 (E, G/Civ); (D) analyze how personal interests, skills, and goals align with potential careers by examining income potential, geographic patterns, workforce demand, and economic conditions (Geo/C, E, S); (E) evaluate the return on investment of postsecondary education, training, or credentialing pathways, including total cost, earning potential, time commitment, and opportunity costs (E, S); (F) analyze postsecondary financing options, including scholarships, grants, work-study programs, and student loans (E, S); (G) explain the purpose of financial aid applications, such as the FAFSA or TASFA, and identify factors that may affect eligibility for federal, state, institutional, and private financial aid (G/Civ, E, S); (H) assess the financial trade-offs of contract employment, independent contracting, and freelance work, including income variability, taxes, insurance, and benefits (E, S); (I) evaluate total compensation by comparing wages and employee benefits, including employer contributions to health insurance, retirement plans, and paid leave (E, S); (J) differentiate between gross pay

and net pay by explaining how taxes, deductions, and withholdings affect take-home earnings using sample pay stubs (E, S); and (K) complete a simulated tax scenario by applying knowledge of filing status, income sources, deductions, credits, tax withholding, and estimated tax (E, S).

New §113.26(d)(5) was added to read, "(5) Earning Income. The student understands how financial inputs, taxes, and income-earning pathways contribute to building wealth and achieving financial goals. The student is expected to: (A) compare traditional forms of employment and contract work, including income variability and sources, taxes, insurance, benefits, and risk (E, S); (B) explain how time is a trade-off in earning income, including paid work and unpaid time required for contract and independent work (E); (C) determine the total value of employment compensation, including wages, employer contributions to health insurance, retirement plans, paid leave, and other benefits, for a selected career pathway and explain how taxes and deductions affect take home pay (E, S); (D) identify sources of earned income, including wages, salaries, tips, bonuses, commissions, and contract income (E); (E) describe how interest, dividends, royalties, and business income provide regular cash flow from investments (E); and (F) identify the purpose of federal tax documents, including Form W-2, Form W-4, and Forms 1040 and 1099, to determine how net and gross income affect personal financial planning for paying taxes (E, S)."

The following language in proposed §113.26(d)(6) was deleted: (6) Budgeting: Spending and Planning. The student understands that financial decision-making impacts budgets and helps achieve financial goals by allocating income to spending, saving, giving, and other financial priorities while reflecting responsible stewardship and intentional use of resources. The student is expected to: (A) define the economic concepts of fixed and variable expenses, savings, total income, financial records, accountability, giving, tax benefits, purchasing power, historical data, economic indicators, and the 50-30-20 rule of budgeting (E); (B) develop a balanced budget that accounts for income, fixed and variable expenses, and savings as a proportion of total income using digital or manual tools (E, S); (C) design a system for tracking income, expenses, and financial records to support accountability and careful oversight (E, S); (D) model a purposeful giving plan, including 10-10-80, that considers time, talents, and monetary donations while evaluating budget impact, recordkeeping, and potential tax benefits (G/Civ, E, S); (E) calculate and compare the costs of utilities and insurance, benefits, and long-term affordability of renting versus buying a home by analyzing total cost, contract terms, and mortgage options (E, S); (F) compare the cost of living in different geographic locations in Texas and the United States by considering housing, multiple forms of taxation, transportation, health care, and income (Geo/C, E, S); (G) calculate and compare the costs and benefits of purchasing versus leasing different types of vehicles by analyzing lease agreements, purchase contracts, loan payments, insurance requirements, depreciation, and total cost of ownership (E, S); (H) compare financial exchange options, including cash, checks, debit cards, credit cards, electronic bank transfers, peer-to-peer payment platforms, and digital wallets, by evaluating costs, benefits, security risks, and consumer protections (E, S); (I) analyze how inflation impacts purchasing power, savings, and budgeting using historical data and economic indicators (E, S); (J) create a monthly and annual household budget based on the 50-30-20 rule of budgeting (E, S); and (K) identify assets and liabilities and construct a personal net worth statement to measure financial health and demonstrate prudent stewardship of resources (E, S).

New §113.26(d)(6) was added to read, "(6) Budgeting: Spending and Planning. The student understands how responsible spending, payment choices, and emergency savings provide a foundation for responsible financial decisions and effective household budgeting. The student is expected to: (A) distinguish between needs, including housing, utilities, food, transportation, insurance, and communication, and wants, including dining out, entertainment, vacations, subscriptions, and other nonessential purchases, when developing a budget (E, S); (B) explain the importance of living below one's means to avoid living paycheck-to-paycheck by controlling expenses, consistently allocating income toward an emergency fund, saving and investing, and debt repayment to reach long-term financial goals (E); (C) describe how budgeting supports saving and investing and increases the time available for compound growth and long-term wealth accumulation (E); (D) explain how the ease and convenience of digital payment methods contribute to spending leaks through frequent, small, or unplanned purchases that reduce the ability to save and build wealth (E); (E) identify the role of the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) in protecting deposits at insured financial institutions but not against financial risk (G/Civ, E); (F) develop a timeline that prioritizes a basic emergency fund, paying off high-interest consumer debt, before building a fully funded three- to six-month financial safety net (E, S); and (G) describe the importance of keeping an emergency savings fund liquid and readily accessible by establishing simple savings or money market accounts and replacing funds after they are used (E)."

The following language in proposed §113.26(d)(7) was deleted: (7) Saving and Investing. The student understands that saving and investing are essential components of building wealth, financial security, and long-term independence, including principles of ethical stewardship, personal responsibility, and respect for individual liberty. The student is expected to: (A) define the economic concepts of liquidity, deposit insurance protections, small and large cap stocks, corporate and government bonds, mutual funds, exchange-traded funds, index funds, traditional IRA, Roth IRAs, 401(k) plans, 403(b) plans, pension plans, Social Security, employer matching programs in long-term retirement planning, simple, compound interest and apply the Rule of 72, savings growth, investment growth, borrowing costs, FDIC, NCUA, SEC, CFPB, qualified financial professional, fiduciary duty, and investment profiles (E, G/Civ); (B) compare the features, benefits, and limitations of various savings options by evaluating interest rates, liquidity, fees, and deposit insurance protections (E, S); (C) compare investment options, including small-cap and large-cap stocks, corporate and government bonds, mutual funds, exchange-traded funds, and index funds, by analyzing risk, return, fees, and historical performance (E, S); (D) compare retirement savings options, including traditional and Roth IRAs, 401(k) plans, 403(b) plans, and pension plans, and explain the role of Social Security and employer matching programs in long-term retirement planning (G/Civ, E); (E) calculate simple and compound interest and apply the Rule of 72 to estimate savings growth, investment growth, and borrowing costs (E, S); (F) define personal risk tolerance and determine a hypothetical investment strategy based on time horizon, market conditions, and financial goals (E, S); (G) explain how regulation of financial institutions, including the FDIC, NCUA, SEC, and CFPB, contributes to financial security and consumer protection (G/Civ, E);

(H) evaluate when to use a qualified financial professional versus managing investments independently by comparing knowledge, fees, fiduciary duty, professional credentials, and investment options (E, S); (I) analyze the characteristics, risks, regulatory landscape, and role of cryptocurrency and digital assets in the broader financial ecosystem (E, S); (J) appraise responsible use of financial technology through automated investment platforms, including robot-advisors and micro-investing apps, by analyzing fee structures, investment strategies, algorithmic limitations, and suitability for different investor profiles (E, S); (K) distinguish how automatic enrollment and opt-in versus opt-out retirement and savings plan designs affect participation rates and long-term wealth building (E, S); and (L) create an investment plan using stocks, bonds, mutual funds, or other types of financial instruments that builds a diversified portfolio that has a reporting period of two to four weeks (E).

New §113.26(d)(7) was added to read, "(7) Budgeting: Spending and Planning. The student understands how foundational budgeting principles apply to major household expenses and other financial outputs, economic conditions, financial protections, and personal values to support responsible household financial planning, budgeting, and long-term financial well-being. The student is expected to: (A) develop a plan that demonstrates financial responsibility and follows a budget that allocates net income among needs and wants, saving and investing, giving, and debt repayment based on financial goals and available resources (E); (B) explain the process of obtaining a rental property or mortgage, including lenders or landlords, applications, references, credit checks, contracts, and approval (E, S); (C) compare financial trade-offs of renting property versus owning a home, including down payments and deposits, interest, moving costs, maintenance, and the potential for home values to appreciate and build equity (E, S); (D) explain the importance of limiting housing costs to approximately 25% of net income to preserve the ability to save and invest and achieve financial goals (E); (E) compare total cost and financial trade-offs of purchasing or leasing a vehicle, public transportation, ridesharing, and other alternatives (E, S); (F) explain how financing a depreciating vehicle can limit the ability to save and invest and identify that vehicle-related expenses should be less than 15% of net income (E); (G) explain how inflation, progressive and regressive taxes, supply and demand, geographic location, and interest rates affect household budgets (G/Civ, Geo/C, E, S); (H) explain how household budgets are affected by taxation and spending decisions made by Congress and other levels of government and interest rate decisions made by the Federal Reserve (G/Civ, E); (I) describe the trade-offs in the monthly policy premiums and protection from significant financial loss for having health, auto, renters or homeowners, and life insurance, including the cost of the premiums versus the protection for individuals from significant financial loss and unexpected expenses (E, S); (J) identify the legal and financial consequences of not having insurance, including health, auto, renters, and mortgage insurance (G/Civ, E); (K) explain the importance of estate planning, including wills, beneficiaries, powers of attorney, and health directives, after age 18 to protect assets and direct decisions during incapacity or after death (G/Civ, E); (L) develop a purposeful giving plan that considers time, talents, and monetary donations based on personal values, including biblical principles of stewardship, generosity, and tithing (G/Civ, E, S); and (M) develop a sample monthly and annual household budget that allocates financial inputs and outputs, including net income, expenses, saving and investing, giving, and debt repayment, based on the 50-30-20 rule of budgeting (E, S)."

The following language in proposed §113.26(d)(8) was deleted: (8) Credit and Debt. The student understands the costs and benefits of borrowing and lending and how they impact financial health, including principles of ethical stewardship, personal responsibility, and wise financial decision-making. The student is expected to: (A) define the economic concepts of revolving credit, collateralized loans, collateral, creditworthiness, predatory lending, fixed versus variable interest rates, length of term, snowball and avalanche methods, truth-in-lending disclosures and repayment capacity (E, G/Civ); (B) compare types of credit, including revolving credit, installment credit, collateralized loans, and unsecured credit, by evaluating interest rates, fees, repayment terms, and the role of collateral and how these factors affect responsible credit use (E, S); (C) identify factors in credit reports, including potential errors that impact credit scores, and analyze behaviors that can improve or harm creditworthiness over time, including accountability and consistent financial habits (E, S); (D) develop a plan to build or maintain creditworthiness (E, S); (E) analyze sources of credit, including banks, credit unions, online lenders, peer-to-peer lenders, and retail financing, and explain how creditworthiness factors influence access to different types of credit (E, S); (F) analyze the components of the cost of borrowing, including annual percentage rate, fixed versus variable interest rates, length of term, grace period, and additional fees (E, S); (G) evaluate high-cost and predatory lending practices, including payday loans, auto title loans, pawn shop loans, rent-to-own agreements, high-interest installment loans, and deceptive lending terms, and compare their total cost to traditional credit options (E, S); (H) evaluate and apply debt management strategies, including snowball and avalanche methods, to address student loans, credit cards, and consumer debt (E, S); and (I) evaluate truth-in-lending disclosures to determine borrowing costs, borrower rights and responsibilities, and whether repayment terms align with financial goals and repayment capacity (E, S).

New §113.26(d)(8) was added to read, "(8) Credit and Debt. The student understands how credit and debt can be used as financial tools and how debt decisions affect financial opportunities, personal responsibility, and long-term wealth building. The student is expected to: (A) describe how credit functions as a financial tool to access opportunities and leverage future income while creating liability and responsibility for repayment (E); (B) compare types of credit, including credit cards, fintech apps, and student loans, based on repayment terms, costs, and risks of default (E, S); (C) compare the trade-offs of acquiring debt to make a purchase versus paying with cash, including interest costs, opportunity cost, and the effect on future financial goals (E, S); (D) explain how annual percentage rates, interest rates, length of term, grace period, and fees affect the total cost of debt (E); (E) identify factors that affect creditworthiness over time, including debt-to-income ratio, payment history, and income (E); (F) analyze the components of a sample credit report and describe how to obtain a credit report and correct potential errors (E, S); (G) compare high-cost and predator lending practices with lower-cost debt options based on interest and other fees, repayment terms, and financial risk and identify why predatory credit should be avoided (E, S); (H) compare debt management strategies, including snowball and avalanche methods, to develop a plan to reduce debt and maintain strong credit (E, S); and (I) describe the financial consequences of debt, including default, collection actions, repossession, foreclosure, and bankruptcy, and identify how excessive debt can limit financial opportunities and long-term wealth creation (G/Civ, E)."

The following language in proposed §113.26(d)(9) was deleted: (9) Risk Management and Insurance. The student understands that managing risk through saving, insurance, fraud prevention, and legal protections helps safeguard against potential loss and ensure long-term financial well-being. The student is expected to: (A) define economic concepts of insurance terms, including premium, deductible, copayment, coinsurance, out-of-pocket maximum, and policy limits, deductibles, replacement costs, and coinsurance (E); (B) explain how geographic factors influence insurance needs and costs, including flood, fire, wind, and hail coverage (Geo/C, E); (C) analyze how personal risk factors and coverage choices affect insurance premiums, including coverage amounts, deductibles, replacement costs, and policy limits (E, S); (D) classify insurance coverage options, including health, auto, renters or homeowners, life, and disability insurance, by comparing coverage, costs, suitability, and financial impact across different life scenarios (E, S); (E) evaluate health insurance options, including premiums, deductibles, copayments, coinsurance, out-of-pocket maximums, health savings accounts, and flexible spending accounts, by comparing costs, tax advantages, and out-of-pocket risk (E, S); (F) explain the role of government programs, including unemployment insurance, disability insurance, Medicaid, and Medicare, in managing financial risk across the lifespan (G/Civ, E); (G) identify and respond to financial fraud, including investment scams, Ponzi schemes, identity theft, and consumer fraud, by using reporting procedures and consumer protection agencies or resources (G/Civ, E, S); (H) explain the importance of estate planning, including wills, beneficiaries, powers of attorney, and advance directives (G/Civ, E); and (I) explain how an emergency savings fund works together with insurance as part of ensuring long-term financial well-being (E).

New §113.26(d)(9) was added to read, "(9) Saving and Investing. The student understands how to begin saving and investing and the importance of personal responsibility in achieving phased financial goals, building financial security, and creating long-term wealth. The student is expected to: (A) explain how paying yourself first through consistent saving and investing practices before discretionary spending supports long-term financial goals and wealth building (E); (B) explain the difference between short-term saving and long-term investing to build wealth for retirement (E, S); (C) identify methods for beginning a savings and investment plan, including accounts at financial institutions, finance management companies, and fintech apps (E); (D) identify strategies for making consistent savings contributions, including automatic deposits and payroll deductions (E); (E) identify strategies for building long-term wealth, including saving and investing at least 20% of net income, maximizing employer match contributions, seeking financial guidance, and using tax-advantaged retirement accounts, that support long-term goal setting (E, S); (F) explain how stocks, bonds, mutual funds, exchange-traded funds (EFTs), and other financially traded instruments provide common ways to begin investing and how EFTs and mutual funds can reduce risk through diversification (E); (G) explain when to buy, hold, or sell financially traded instruments, including student-selected ETFs, mutual funds, stocks, and bonds, based on financial data, past performance, risk, and return (E, S); (H) identify tax-advantaged saving and investing strategies used to generate income in retirement, including traditional and Roth retirement plans and Health Savings Accounts (HSAs), and explain how tax-free growth maximizes long-term wealth accumulation (E); (I) explain how starting early, investing consistently, remaining invested through market fluctuation, compound growth, and the Rule of 72 contribute to long-term wealth accumulation (E, S); and (J) describe how age, time horizon, market conditions, and financial goals influence investment decisions and identify personal risk tolerance (E, S)."

The following language in proposed §113.26(d)(10) was deleted: (10) Entrepreneurship and Personal Financial Opportunity. The student understands that entrepreneurship in a free enterprise system rooted in individual initiative and economic liberty can provide opportunities for individuals to create value, assume risk, earn profit, build personal financial stability, and contribute to economic growth through responsible and ethical financial decision-making. The student is expected to: (A) define value, financial risk, profit, innovation, entrepreneurship, profit distribution, capitalist, free enterprise, and innovation (E); (B) analyze how entrepreneurs create value, assume financial risk, earn profit, and build wealth through individual initiative, innovation, and responsible management of resources (E, S); (C) evaluate how entrepreneurship, self-employment, and multiple income streams can support personal financial stability, resilience, and long-term financial goals (E, S); (D) compare entrepreneurial ownership structures by analyzing how ownership, liability, taxation, and profit distribution can affect personal financial risk and income potential (G/Civ, E, S); (E) examine how entrepreneurs respond to supply-and-demand trends and unmet needs in the marketplace through innovation, problem solving, and responsible service to consumers (E, S); (F) analyze how entrepreneurs respond to supply-and-demand trends and evaluate how entrepreneurship in a capitalist, free enterprise system contributes to personal financial opportunity, job creation, innovation, and economic growth (E, S); and (G) create a business plan for a hypothetical product or service operation that includes the necessary budgetary, accounting, financing, organizational labor charting, marketing, and sales (E).

New §113.26(d)(10) was added to read, "(10) Advanced Saving and Investing. The student understands financial opportunities for asset diversification and long-term wealth building after establishing a foundation of early saving and investing. The student is expected to: (A) explain how over time as wealth accumulates individuals gain greater opportunities to diversify investments, increase potential returns, and build long-term wealth (E); (B) describe how spreading investments across different types of asset classes reduces risk, mitigates taxation, and supports long-term wealth building (E); (C) compare ways to manage investments, including self-directed investing, automated investment platforms, self-directed custodians, and financial professionals, based on types of fees and investor control (E, S); (D) identify factors when selecting investment services, including fiduciary duty, professional credentials, reputation, and performance history (E); (E) identify methods of investing in different types of real estate, including direct ownership and pooled real estate investments, based on initial investment, tax mitigation, income potential, and risk (E); (F) describe how individuals invest capital in businesses owned by others through private investment or partnerships and identify the potential risks and returns (E); (G) explain how withdrawal rates are used to estimate sustainable retirement investment-income and calculate the approximate portfolio needed to support a desired level of annual retirement income using manual or digital tools (E); (H) describe how eligible individuals can use the Social Security Administration website to estimate future retirement benefits from the federal Social Security program (G/Civ, E, S); and (I) develop a 10-year personal financial plan with annual benchmarks that integrate long-term financial independence goals, career, income,

saving and investing, major purchases, and risk management strategies (E, S)."

New §113.26(d)(11) was added to read, "(11) Entrepreneurship and Personal Financial Opportunity. The student understands that entrepreneurship in a free enterprise system rooted in individual initiative and economic liberty can provide opportunities for individuals to create value, assume risk, earn profit, build personal financial stability, and contribute to economic growth through responsible and ethical financial decision-making. The student is expected to: (A) identify how aptitudes, skills, and knowledge create opportunities for innovation through entrepreneurship by using supply and demand to recognize consumer needs and market opportunities for potential products or services (E); (B) explain how principles of personal financial responsibility are necessary to manage scarce resources, control expenses, plan for risk, and operate a successful business (E); (C) describe how entrepreneurs use individual initiative, innovation, private property, and factors of production to respond to supply and demand, solve market problems, create value, assume financial risk, earn profit, and build wealth in a free enterprise system (G/Civ, E); (D) identify that most businesses in Texas are small businesses operated by entrepreneurs and describe how entrepreneurs build wealth by creating jobs, owning private property, and contributing to community prosperity (G/Civ, E, S); (E) identify common federal tax forms used by businesses, including Form W-9 and Form 1099 (G/Civ, E); (F) identify the Limited Liability Company (LLC) as a common business structure for entrepreneurs because it provides limited personal liability, flexible management, and tax flexibility (G/Civ, E); (G) explain the importance of seeking the advice of a lawyer and accountant when making business decisions as an individual or entrepreneur (G/Civ, E); (H) explain how business ownership and multiple income streams through entrepreneurship support personal financial stability, build long-term wealth, and provide opportunities for charitable giving and investment in communities (E, S); and (I) develop a business plan that applies personal financial literacy concepts for a product of service that fills an identified consumer or market need, including goal setting and income projections, budgeting, responsible use of debt, saving and investing, and long-term wealth building (G/Civ, E, S)."

The SBOE approved the new section for first reading and filing authorization at its June 26, 2026 meeting and for second reading and final adoption at its September 4, 2026 meeting.

The effective date is July 1, 2027.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began July 24, 2026, and ended at 5:00 p.m. on August 24, 2026. The SBOE also provided an opportunity for registered oral and written comments at its August-September 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 teacher stated that the proposal does not explain who requested §113.26 or why it appears before the standards it depends on. The commenter explained that this lack of clarity raises concerns about approving a graduation requirement without sufficient justification or established standards. The commenter expressed that students need at least a full semester of personal finance instruction to support essential real-world understanding and noted concern that the proposal may weaken this requirement. The commenter requested that §113.26 be struck until clear rationale and aligned standards are provided and that language be strengthened to ensure students receive comprehensive personal finance education.

Response. The State Board of Education (SBOE) disagrees with the commenter's recommendation to strike §113.26 or delay its adoption because House Bill (HB) 27, 89th Texas Legislature, Regular Session, 2025, amended graduation requirements to require students entering Grade 9 beginning with the 2026-2027 school year to complete a one-half-credit course in Applied Personal Financial Literacy. Additionally, Texas Education Code (TEC), §28.002(c), requires the SBOE to adopt essential knowledge and skills for subjects in the required curriculum. The SBOE determined that the proposed standards implement the graduation requirement in accordance with statutory requirements established by the legislature.

Comment. One administrator stated that Personal Financial Literacy expands beyond practical financial decision-making into broad economics and business theory.

Response. As a result of public comment, the SBOE took action to maintain a focus on practical personal financial literacy knowledge and skills that support students' real-world financial decision-making. Consistent with TEC, §28.002, the adopted standards emphasize essential knowledge and skills that prepare students for post-secondary education, employment, and responsible financial management while balancing supporting economic and business concepts that provide necessary context for financial literacy instruction.

Comment. Two teachers, 1 administrator, 9 parents, 26 community members, and 2 out-of-state commenters urged the SBOE to restore the economics, free enterprise, and entrepreneurship principles they believe have been removed from the Personal Financial Literacy standards. The commenters recommended reinstating these concepts as core components of the course.

Response. As a result of public comment, the SBOE took action to strengthen the Applied Personal Financial Literacy standards by restoring and reinforcing economics, free enterprise, and entrepreneurship concepts. The SBOE amended §113.26 to include these topics that are important components of financial literacy instruction and are consistent with its responsibility under TEC, §28.002(c), to adopt the essential knowledge and skills students should learn in the required curriculum. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. Two teachers, 1 administrator, 10 parents, and 27 community members urged the SBOE to affirm and enforce the HB 1605 mandate requiring full SBOE control over all instructional materials funded with taxpayer dollars. The commenters asked the board to abide by the law and ensure tax dollars are spent on SBOE-approved resources.

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

Comment. Two community members recommended revising the standards as soon as possible.

Response. The SBOE disagrees with the commenters' proposal to adopt the Texas Essential Knowledge and Skills (TEKS) as soon as possible based on statutory requirements for revision of standards under Senate Bill (SB) 24 and SB 27, 89th Texas Legislature, Regular Session, 2025.

Comment. Four community members urged the SBOE to oppose socialism and communism in Personal Financial Literacy standards, stating that these concepts have no place in financial literacy instruction. The commenters recommended excluding socialism and communism from the curriculum.

Response. The SBOE disagrees with the commenters' recommendation to exclude socialism and communism from the Applied Personal Financial Literacy standards because TEC, §28.002(c), requires the SBOE to adopt the essential knowledge and skills for the required curriculum, and TEC, §28.002(h-11), requires the SBOE to adopt social studies TEKS that develop students' understanding of communist regimes and ideologies. The SBOE determined that the adopted standards appropriately address these concepts within the course and should be retained based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One community member and one out-of-state commenter expressed support for the proposed Personal Financial Literacy TEKS but raised concerns that the standards contain too many student expectations for a one-half-credit course. The commenters stated that the volume of content could lead to superficial coverage and reduce opportunities for applied learning. The commenters recommended streamlining the TEKS by reducing or consolidating expectations, prioritizing core concepts, and moving highly technical topics to more advanced coursework while preserving practical financial literacy outcomes.

Response. As a result of public comment, the SBOE took action to adopt the proposed new Applied Personal Financial Literacy TEKS, as amended, with consideration for the pacing, reorganization, and clarification based on feedback from numerous experts, educators, and stakeholder groups. The SBOE considered the amount of content adopted compared to the amount of available instructional time.

Comment. One parent and seven community members urged the removal of Critical Race Theory (CRT); Diversity, Equity, and Inclusion (DEI); and related concepts from public education, stating that these ideas promote victimization rather than self-reliance, personal responsibility, and hard work. The commenters recommended eliminating CRT, DEI, socialism, Marxism, and similar ideologies from school curricula and supported teaching free-market principles, individual initiative, and the founding principles and values they believe contributed to the success of Texas and the United States.

Response. As a result of public comment, the SBOE took action to adopt standards that emphasize applied personal responsibility, individual initiative, free enterprise, and the principles of the American economic system. The SBOE recognized stakeholder support for instruction that prepares students to understand economic opportunity, financial independence, and the role of free-market principles in applied personal financial decision-making. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One teacher, one parent, and nine community members urged the SBOE to fully enforce HB 1605 and maintain sole authority over taxpayer-funded instructional materials, stating that curriculum decisions should remain accountable to Texans rather than unelected committees, administrators, or third-party providers. The commenters recommended requiring SBOE approval of instructional materials, preventing the use of non-SBOE-approved resources, and ensuring that curricula reflect free-market and free-enterprise principles rather than CRT or other ideologies.

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

Comment. One teacher, 3 parents, and 17 community members requested that economics, free enterprise, free-market capitalism, and entrepreneurship concepts remain prominent in the Applied Personal Financial Literacy course. The commenters stated that these concepts are foundational to financial literacy, entrepreneurship, innovation, economic opportunity, and individual responsibility. The commenters requested restoration of content they believed had been removed from prior drafts and expressed concern that students would not adequately understand how free markets function without explicit instruction.

Response. As a result of public comment, the SBOE took action to retain and strengthen economics, free enterprise, free-market capitalism, and entrepreneurship concepts in the Applied Personal Financial Literacy course. The SBOE determined that these concepts support students' understanding of financial decision-making, economic opportunity, innovation, and individual responsibility. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. Two teachers, one parent, and six community members expressed concern that too few young people support capitalism and argued that public education has failed to adequately teach the benefits of free-market economics. The commenters stated that capitalism promotes opportunity, innovation, prosperity, individual initiative, and freedom, while socialism and communism have harmful outcomes and should not be promoted in financial literacy instruction. The commenters recommended that Texas schools emphasize free-market economics, teach the benefits of capitalism, compare and contrast capitalism with socialism and communism, present the historical shortcomings of those systems, and oppose the inclusion of socialism, communism, CRT, or related ideology in Personal Financial Literacy standards.

Response. As a result of public comment, the SBOE took action to retain and strengthen economics, free enterprise, free-market capitalism, and entrepreneurship concepts in the Applied Personal Financial Literacy course. The SBOE determined that these concepts support students' understanding of financial decision-making, economic opportunity, innovation, and individual responsibility. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One parent member and four community members expressed opposition to the use of Next Gen Applied Personal Finance (NGPF) curriculum and related changes to the Personal Financial Literacy standards, stating that traditional economic principles, free enterprise, and free-market concepts have been removed or diminished. The commenters raised concerns that NGPF incorporates CRT-related perspectives; does not adequately emphasize core economic concepts such as prices, wages, taxes, and interest rates; and includes content they view as unrelated to personal financial literacy. The commenters recommended that the SBOE reject NGPF as a basis for the TEKS, oppose CRT-related content, restore free-market and free-enterprise principles, reject proposed draft revisions associated with NGPF, and support standards that emphasize capitalism, economic opportunity, and traditional financial literacy instruction.

Response. As a result of public comment, the SBOE took action to adopt standards that emphasize capitalism, free enterprise, and the principles of the American economic system, recognizing stakeholder support for instruction that prepares students to understand economic opportunity, financial independence, and the role of free-market principles in applied personal financial decision-making. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. Three out-of-state commenters expressed strong support for the proposed Personal Financial Literacy TEKS, describing them as thoughtful, comprehensive, and particularly effective because of their emphasis on applied learning. The commenters stated that the standards provide students with practical financial skills through real-world activities such as budgeting, evaluating contracts, calculating interest, and developing business plans. The commenters recommended that the SBOE maintain and adopt the proposed TEKS, emphasizing their practical, hands-on approach to preparing students for real-life financial decisions.

Response. As a result of public comment, the SBOE took action to adopt the proposed Applied Personal Financial Literacy TEKS, as amended. The SBOE recognized stakeholder support for standards that emphasize applied learning and provide students with practical financial knowledge and skills through real-world experiences such as budgeting, evaluating contracts, calculating interest, and developing business plans to prepare them for informed financial decision-making. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One community member and one out-of-state commenter expressed strong support for retaining entrepreneurship in the Personal Financial Literacy course, stating that entrepreneurship is a key strength of the proposed TEKS and an important pathway to business ownership, financial success, and economic opportunity. The commenters recommended maintaining the entrepreneurship and business structures content.

Response. As a result of public comment, the SBOE took action to retain entrepreneurship and business structures content in the Applied Personal Financial Literacy course, recognizing stakeholder support for entrepreneurship as an important component of financial literacy that promotes business ownership, economic opportunity, innovation, and long-term financial success. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One community member stated that students need to be taught history, how government works, and how to become people who are literate and understand the concept of working for what they want.

Response. As a result of public comment, the SBOE took action to adopt the proposed Applied Personal Financial Literacy TEKS, as amended, recognizing stakeholder support for standards that promote financial literacy, personal responsibility, and work ethic and prepare students to make informed financial and civic decisions. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One community expressed support for the TEKS and stated that they are comprehensive. The commenter recommended adding a new student expectation in §113.26(d)(3) to explain how to obtain and maintain employment.

Response. The SBOE disagrees with the commenter's recommendation to add a new student expectation in §113.26(d)(3) regarding obtaining and maintaining employment because TEC, §28.002(c), requires the SBOE to identify the essential knowledge and skills students should learn within the scope of the course, and employability and career-readiness concepts may be addressed through existing career exploration standards and other related TEKS. The SBOE determined that the proposed standards sufficiently address careers, postsecondary education, earning potential, and applied personal financial decision-making within the course framework. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One community member stated that literal fulfillment of §113.26(d)(2)(C) would require students to create a will, financial power of attorney, medical power of attorney, and living will. The commenter recommended updating the language to require students to identify and describe why one would need a will, financial power of attorney, etc.

Response. As a result of public comment, §113.26(d)(2)(C) was deleted at adoption.

Comment. One community member stated that the TEKS are poorly structured and provided examples of standards that include too many distinct topics and concepts. The commenter suggested dividing the concepts into related topics that can be comprehended by teachers and others who will otherwise struggle to understand and fulfill them.

Response. As a result of public comment, §113.26(d)(7)(A) was deleted at adoption.

Comment. One community member proposed Personal Financial Literacy.

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

Comment. One administrator recommended that Money Matters, either one-half credit or one credit, be allowed to substitute for the required Personal Financial Literacy one-half-credit course. The commenter explained that many of the TEKS align between Personal Financial Literacy and Money Matters.

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

Comment. One administrator stated that §113.26(d)(6)(A) and (D) each contain a percentage-based rule and that the two rules are somewhat contradictory. The commenter explained that the 50/30/20 rule splits after-tax income into three spending categories: 50% for needs, 30% for wants, and 20% for investing. The commenter explained that it does not account for giving. The commenter explained that the 10/10/80 rule splits income into 10% for charity, 10% for emergencies, and 80% for living. The commenter explained that it does not account for investing. The commenter stated that it will cause confusion to teach students both of these rules and suggested including one or the other but not both.

Response. As a result of public comment, §113.26(d)(6)(D) relating to the purposeful giving plan, 10/10/80, was deleted at adoption.

Comment. One student supported the revised Personal Financial Literacy TEKS and explained that the standards could be highly beneficial for high school students if the concepts are taught thoroughly. The commenter noted that courses used to

satisfy the requirement should comprehensively teach the TEKS without other content detracting from financial literacy instruction. The commenter described concerns about allowing AP Business with Financial Literacy to satisfy the requirement, explaining that the course focuses heavily on business, marketing, and entrepreneurship topics rather than financial literacy. The commenter noted that many schools prioritize AP exam preparation and explained that financial literacy content is concentrated in a unit that is not assessed on the AP exam, which may result in limited instructional emphasis. The commenter requested that the SBOE carefully evaluate AP Business with Financial Literacy and other proposed qualifying courses to ensure students receive comprehensive personal financial literacy instruction.

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

Comment. One teacher stated that they have no issue with Biblical literature but do not support material about the Quran. The commenter also expressed concern with the lack of emphasis on United States and World History. The commenter explained that they believe a stronger history curriculum would give students a stronger foundation and pride in their heritage.

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

Comment. One parent stated support for all of the rights and freedoms guaranteed by the Constitution in the state of Texas.

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

Comment. One parent recommended using common sense.

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

Comment. Five teachers, two administrators, two parents, and four community members stated support for allowing AP Business with Personal Finance to satisfy the Personal Financial Literacy graduation requirement. The commenters explained that the course can provide rigorous financial literacy instruction while also offering the potential for college credit and workforce-relevant skills. The commenters noted that the pathway may support flexibility for students and alignment with business, career and technical education, and postsecondary goals. The commenters described the course as a way to connect personal finance, business concepts, and student readiness for future financial decisions. The commenters identified teacher training, course access, and career alignment as potential strengths of the proposal. The commenters requested that AP Business with Applied Personal Finance be approved as an eligible pathway for the Personal Financial Literacy requirement.

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

Comment. Eight teachers, one counselor, eight administrators, eight parents, and one out-of-state commenter stated that Economics and Personal Financial Literacy requirements should not be weakened, prematurely restructured, or separated in ways that reduce students' understanding of economic systems. The commenters noted that making Economics optional or changing the course structure could reduce readiness for college, careers, business leadership, and civic decision-making. The commenters described personal financial literacy as important but connected to broader economic understanding. The commenters identified concerns about course timing, rigor, coherence, and alignment with HB 27, 89th Texas Legislature, Regular Session, 2025, or pending Personal Financial Literacy TEKS. The commenters requested that the SBOE preserve rigorous Economics instruction and ensure any Personal Financial Literacy revisions are aligned, finalized, and instructionally sound before adoption.

Response. The SBOE disagrees with the commenters' recommendation to delay adoption or modify the implementation of the Applied Personal Financial Literacy requirements because TEC, §28.002(c), requires the SBOE to identify the essential knowledge and skills students should learn in each subject area, and the adopted standards were developed to provide students with the financial literacy knowledge and skills required by statute. The SBOE determined that the proposed Applied Personal Financial Literacy TEKS appropriately address applied personal finance while maintaining alignment with state graduation requirements and the broader social studies curriculum framework.

STATUTORY AUTHORITY. The new section is adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-24), as added by House Bill 27, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to allow a student to comply with the curriculum requirement for a one-half credit in personal financial literacy by successfully completing an advanced placement course designated by the SBOE as containing substantively similar and rigorous academic content.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a) and (b-24).

§113.26. Applied Personal Financial Literacy (One-Half Credit), Adopted 2026.

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2028-2029 school year.

(b) General requirements. Students shall be awarded one-half credit for successful completion of this course.

(c) Introduction.

(1) Applied Personal Financial Literacy (PFL) will develop citizens who have the knowledge and skills to make sound, informed financial decisions and practice personal financial responsibility for sustainable financial growth. The knowledge and skills gained in this course have far-reaching effects on individuals, families, communities, and a free enterprise economy. Financially literate citizens are better prepared to earn and manage income, save and invest, build wealth, pursue entrepreneurship, make responsible consumer decisions, and plan for the future with greater financial independence. These individual decisions strengthen the free enterprise system through responsible use of resources, voluntary exchange, and creation of opportunity and wealth.

(2) The primary purpose of Texas and American social studies is to educate students to become proud, responsible, and patriotic citizens who respect the dignity and rights of their fellow citizens, who love their country, and who cherish liberties and laws. Over the course of multiple grades:

(A) students understand how to emulate the preservation of liberty as citizens who value the idea of virtue under the Constitution;

(B) students understand that a constitutional republic is a representative form of government whose elected leaders derive their authority from the consent of the governed and are sworn to uphold the Constitution; and

(C) students understand the benefits of the United States free enterprise system, also referenced as capitalism or the free market system. This system, predicated on strong property rights, emphasizes the individual exercise of economic decisions without government interference, allowing people the opportunity to prosper.

(3) Student expectations are organized around key topics, identified as knowledge and skills statements. Student expectations are not intended to be taught as stand-alone concepts but should be integrated as building blocks within the context of each key topic, where real-world financial decision-making is applied throughout each set of knowledge and skills statements, student expectations, and a selected career pathway.

(4) Student expectations within each knowledge and skills key topic address the statutory requirements listed in paragraph (6) of this subsection while also making continual connections across those key topics and grade levels. Student expectations are organized chronologically through recurring strands coded at the end of each student expectation. Strands include:

(A) History (World, United States, and Texas), coded with H;

(B) Government and Civics, coded with G/Civ;

(C) Geography and Culture, coded with Geo/C;

(D) Economics, coded with E; and

(E) Social Studies Skills, based on disciplinary thinking skills, coded with S.

(5) Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions.

(6) Student expectations embed relevant statutory requirements, including:

(A) Texas Education Code (TEC), §28.002(a)(1)(D)--Social Studies, consisting of Texas, United States, and world history; government; economics, with emphasis on the free enterprise system and its benefits; and geography;

(B) TEC, §28.002(a)(2)(G)--Religious Literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature;

(C) TEC, §28.002(h)--Informed American Patriotism, Texas History, and the Free Enterprise System;

(D) TEC, §28.002(h-1)(1)-(3)--Knowledge of Civics;

(E) TEC, §28.002(h-1)(4)--Founding documents and primary sources of the United States;

(F) TEC, §28.002(h-2)(1)-(3) and (h-3)--Knowledge of Civics;

(G) TEC, §28.002(h-11) and (h-12)--Understanding of Communist Regimes and Ideologies (for Grades 4 and higher);

(H) TEC, §28.0022--Certain instructional requirements and prohibitions;

(I) TEC, §29.907--Celebrate Freedom Week;

(J) TEC, §29.9071--Texas Military Heroes Day; and

(K) TEC, §29.9072--Holocaust Remembrance Week.

(7) There is no effective study of social studies without review of primary sources. In certain circumstances, specific primary sources are named in the Texas Essential Knowledge and Skills (TEKS), but instructional materials should include additional primary sources relevant to subjects identified in the TEKS. Primary sources are embedded as appropriate within the context of the study of history. Additional primary source material, including written documents, visual sources, audio and audio-visual sources, oral sources, and artifacts are encouraged. Primary source material should be used where appropriate and must be used when identified in a student expectation. In early grades, before students have requisite reading skills to read directly from copies of primary sources, the primary source materials should be included as a visual aid.

(8) To support the teaching of essential knowledge and skills, the use of a variety of rich material is encouraged. Where appropriate, local topics should be included to create relevance. Motivating resources are available from museums, historical sites, presidential libraries, local and state civic offices, and preservation societies.

(9) The list of places, events, and people in this course curriculum is not considered exhaustive. Additional examples aligned with statutes listed in paragraph (6) of this subsection can be incorporated as time permits. Statements that contain the word "including" reference content that must be mastered.

(d) Knowledge and skills.

(1) Fundamental Concepts of Economics Related to PFL. The student understands how foundational economic principles, ethical decision-making, and personal responsibility are essential to personal financial literacy. The student is expected to:

(A) identify that individuals have personal responsibility, including financial integrity and accountability for their financial choices and the management of personal finances (E);

(B) explain Thomas Sowell's principle that scarcity requires individuals to make trade-offs when allocating resources, including time and money (E, S);

(C) explain how Adam Smith's concept of the invisible hand illustrates how free enterprise provides opportunities to earn income, own property, save and invest, and build wealth through voluntary exchange (E); and

(D) contrast free enterprise with socialist and communist economic systems, including the concept of socialism as a transitional stage toward communism in Marxist theory, and explain how differences in economic freedom and individual financial decision-making affect private property, freedom of choice, voluntary exchange, and wealth building (G/Civ, E).

(2) Careers, Postsecondary Education, and Earning Potential. The student applies personal interests, career pathways, labor-market conditions, and postsecondary education options to align career de-

cisions with personal goals and financial plans. The student is expected to:

(A) identify aptitudes, personal interests, skills, values, and personality traits that align potential career pathways, using labor-market data to analyze supply and demand, income potential employment trends, comparative advantage, and required skills, and identify industries and employers (E, S);

(B) identify employment readiness practices, including résumé preparation, interviewing, and professional appearance, for a selected career pathway (E);

(C) describe how education, skills, certifications, technical training, and work-based learning influence income opportunities in a free enterprise labor market (E);

(D) compare postsecondary education and training pathways by calculating total costs and analyzing potential debt obligations, expected income, employment outlook, and financial trade-offs to determine potential return on investment (E, S);

(E) complete a Free Application for Federal Student Aid (FAFSA), Texas Application for State Financial Aid (TAFSA), or financial aid opt-out form and identify when a student may independently complete and submit the forms (E, S);

(F) identify the Montgomery Bill and Texas Hazlewood Act as programs that can help eligible veterans and their dependents pay for postsecondary education and training (G/Civ, E); and

(G) explain how creative destruction shapes career opportunities and identify how artificial intelligence (AI) is changing the labor market (E).

(3) Personal Financial Planning, Goal Setting, and Decision-Making. The student understands how to apply financial planning, goal setting, and wealth building across the timeline of life to achieve personal goals, financial independence, and a desired future. The student is expected to:

(A) describe how completing education, obtaining full-time employment, and delaying marriage and children until adulthood can support financial stability and long-term wealth building (E);

(B) explain how saving and investing, delayed gratification, spending decisions, trade-offs, and a growth mindset contribute to building wealth and achieving personal goals (E);

(C) estimate the length of retirement using the Social Security actuarial life expectancy data and identify factors, including family longevity and financial needs, that may affect retirement planning (G/Civ, E, S);

(D) describe how families can establish shared financial goals and teach children responsible practices related to earning, saving and investing, spending, and giving for wealth building and achieving personal goals (E, S); and

(E) develop a one-, five-, and ten-year plan for a desired future and develop specific, measurable, attainable, realistic, and time-based (SMART) financial goals, including target amounts, timelines, and actions for building wealth, needed to achieve long-term financial independence goals (E, S).

(4) Consumer Economics and Financial Decision-Making. The student understands how personal financial literacy practices, consumerism, impulse response, and external pressures affect personal financial decisions and demonstrates the ability to apply strategies for responsible, ethical, and informed financial decision-making in a digital age. The student is expected to:

(A) distinguish between needs and wants and explain how marketing influences consumer perceptions of needs and wants (E, S);

(B) explain how marketing strategies, including social media influencers, algorithms, fintech platforms, buy now pay later services, and traditional advertising, influence purchasing decisions (Geo/C, E);

(C) analyze how repeated marketing exposure, including the seven-touch contact principle of marketing, affects purchasing decisions (Geo/C, E, S); and

(D) analyze common financial fraud and identify-theft schemes, including phishing, impersonation for fraudulent investment opportunities, and payment-app fraud, and demonstrate strategies for protecting personal financial information and reporting suspected fraud (E, S).

(5) Earning Income. The student understands how financial inputs, taxes, and income-earning pathways contribute to building wealth and achieving financial goals. The student is expected to:

(A) compare traditional forms of employment and contract work, including income variability and sources, taxes, insurance, benefits, and risk (E, S);

(B) explain how time is a trade-off in earning income, including paid work and unpaid time required for contract and independent work (E);

(C) determine the total value of employment compensation, including wages, employer contributions to health insurance, retirement plans, paid leave, and other benefits, for a selected career pathway and explain how taxes and deductions affect take-home pay (E, S);

(D) identify sources of earned income, including wages, salaries, tips, bonuses, commissions, and contract income (E);

(E) describe how interest, dividends, royalties, and business income provide regular cash flow from investments (E); and

(F) identify the purpose of federal tax documents, including Form W-2, Form W-4, and Forms 1040 and 1099, to determine how net and gross income affect personal financial planning for paying taxes (E, S).

(6) Budgeting: Spending and Planning. The student understands how responsible spending, payment choices, and emergency savings provide a foundation for responsible financial decisions and effective household budgeting. The student is expected to:

(A) distinguish between needs, including housing, utilities, food, transportation, insurance, and communication, and wants, including dining out, entertainment, vacations, subscriptions, and other nonessential purchases, when developing a budget (E, S);

(B) explain the importance of living below one's means to avoid living paycheck-to-paycheck by controlling expenses, consistently allocating income toward an emergency fund, saving and investing, and debt repayment to reach long-term financial goals (E);

(C) describe how budgeting supports saving and investing and increases the time available for compound growth and long-term wealth accumulation (E);

(D) explain how the ease and convenience of digital payment methods contribute to spending leaks through frequent, small, or unplanned purchases that reduce the ability to save and build wealth (E);

(E) identify the role of the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) in protecting deposits at insured financial institutions but not against financial risk (G/Civ, E);

(F) develop a timeline that prioritizes a basic emergency fund, paying off high-interest consumer debt, before building a fully funded three- to six-month financial safety net (E, S); and

(G) describe the importance of keeping an emergency savings fund liquid and readily accessible by establishing simple savings or money market accounts and replacing funds after they are used (E).

(7) Budgeting: Spending and Planning. The student understands how foundational budgeting principles apply to major household expenses and other financial outputs, economic conditions, financial protections, and personal values to support responsible household financial planning, budgeting, and long-term financial well-being. The student is expected to:

(A) develop a plan that demonstrates financial responsibility and follows a budget that allocates net income among needs and wants, saving and investing, giving, and debt repayment based on financial goals and available resources (E);

(B) explain the process of obtaining a rental property or mortgage, including lenders or landlords, applications, references, credit checks, contracts, and approval (E, S);

(C) compare financial trade-offs of renting property versus owning a home, including down payments and deposits, interest, moving costs, maintenance, and the potential for home values to appreciate and build equity (E, S);

(D) explain the importance of limiting housing costs to approximately 25% of net income to preserve the ability to save and invest and achieve financial goals (E);

(E) compare total cost and financial trade-offs of purchasing or leasing a vehicle, public transportation, ridesharing, and other alternatives (E, S);

(F) explain how financing a depreciating vehicle can limit the ability to save and invest and identify that vehicle-related expenses should be less than 15% of net income (E);

(G) explain how inflation, progressive and regressive taxes, supply and demand, geographic location, and interest rates affect household budgets (G/Civ, Geo/C, E, S);

(H) explain how household budgets are affected by taxation and spending decisions made by Congress and other levels of government and interest rate decisions made by the Federal Reserve (G/Civ, E);

(I) describe the trade-offs in the monthly policy premiums and protection from significant financial loss for having health, auto, renters or homeowners, and life insurance, including the cost of the premiums versus the protection for individuals from significant financial loss and unexpected expenses (E, S);

(J) identify the legal and financial consequences of not having insurance, including health, auto, renters, and mortgage insurance (G/Civ, E);

(K) explain the importance of estate planning, including wills, beneficiaries, powers of attorney, and health directives, after age 18 to protect assets and direct decisions during incapacity or after death (G/Civ, E);

(L) develop a purposeful giving plan that considers time, talents, and monetary donations based on personal values, including biblical principles of stewardship, generosity, and tithing (G/Civ, E, S); and

(M) develop a sample monthly and annual household budget that allocates financial inputs and outputs, including net income, expenses, saving and investing, giving, and debt repayment, based on the 50-30-20 rule of budgeting (E, S).

(8) Credit and Debt. The student understands how credit and debt can be used as financial tools and how debt decisions affect financial opportunities, personal responsibility, and long-term wealth building. The student is expected to:

(A) describe how credit functions as a financial tool to access opportunities and leverage future income while creating liability and responsibility for repayment (E);

(B) compare types of credit, including credit cards, fintech apps, and student loans, based on repayment terms, costs, and risks of default (E, S);

(C) compare the trade-offs of acquiring debt to make a purchase versus paying with cash, including interest costs, opportunity cost, and the effect on future financial goals (E, S);

(D) explain how annual percentage rates, interest rates, length of term, grace period, and fees affect the total cost of debt (E);

(E) identify factors that affect creditworthiness over time, including debt-to-income ratio, payment history, and income (E);

(F) analyze the components of a sample credit report and describe how to obtain a credit report and correct potential errors (E, S);

(G) compare high-cost and predator lending practices with lower-cost debt options based on interest and other fees, repayment terms, and financial risk and identify why predatory credit should be avoided (E, S);

(H) compare debt management strategies, including snowball and avalanche methods, to develop a plan to reduce debt and maintain strong credit (E, S); and

(I) describe the financial consequences of debt, including default, collection actions, repossession, foreclosure, and bankruptcy, and identify how excessive debt can limit financial opportunities and long-term wealth creation (G/Civ, E).

(9) Saving and Investing. The student understands how to begin saving and investing and the importance of personal responsibility in achieving phased financial goals, building financial security, and creating long-term wealth. The student is expected to:

(A) explain how paying yourself first through consistent saving and investing practices before discretionary spending supports long-term financial goals and wealth building (E);

(B) explain the difference between short-term saving and long-term investing to build wealth for retirement (E, S);

(C) identify methods for beginning a savings and investment plan, including accounts at financial institutions, finance management companies, and fintech apps (E);

(D) identify strategies for making consistent savings contributions, including automatic deposits and payroll deductions (E);

(E) identify strategies for building long-term wealth, including saving and investing at least 20% of net income, maximizing

employer match contributions, seeking financial guidance, and using tax-advantaged retirement accounts, that support long-term goal setting (E, S);

(F) explain how stocks, bonds, mutual funds, exchange-traded funds (EFTs), and other financially traded instruments provide common ways to begin investing and how EFTs and mutual funds can reduce risk through diversification (E);

(G) explain when to buy, hold, or sell financially traded instruments, including student-selected ETFs, mutual funds, stocks, and bonds, based on financial data, past performance, risk, and return (E, S);

(H) identify tax-advantaged saving and investing strategies used to generate income in retirement, including traditional and Roth retirement plans and Health Savings Accounts (HSAs), and explain how tax-free growth maximizes long-term wealth accumulation (E);

(I) explain how starting early, investing consistently, remaining invested through market fluctuation, compound growth, and the Rule of 72 contribute to long-term wealth accumulation (E, S); and

(J) describe how age, time horizon, market conditions, and financial goals influence investment decisions and identify personal risk tolerance (E, S).

(10) Advanced Saving and Investing. The student understands financial opportunities for asset diversification and long-term wealth building after establishing a foundation of early saving and investing. The student is expected to:

(A) explain how over time as wealth accumulates individuals gain greater opportunities to diversify investments, increase potential returns, and build long-term wealth (E);

(B) describe how spreading investments across different types of asset classes reduces risk, mitigates taxation, and supports long-term wealth building (E);

(C) compare ways to manage investments, including self-directed investing, automated investment platforms, self-directed custodians, and financial professionals, based on types of fees and investor control (E, S);

(D) identify factors when selecting investment services, including fiduciary duty, professional credentials, reputation, and performance history (E);

(E) identify methods of investing in different types of real estate, including direct ownership and pooled real estate investments, based on initial investment, tax mitigation, income potential, and risk (E);

(F) describe how individuals invest capital in businesses owned by others through private investment or partnerships and identify the potential risks and returns (E);

(G) explain how withdrawal rates are used to estimate sustainable retirement investment-income and calculate the approximate portfolio needed to support a desired level of annual retirement income using manual or digital tools (E);

(H) describe how eligible individuals can use the Social Security Administration website to estimate future retirement benefits from the federal Social Security program (G/Civ, E, S); and

(I) develop a 10-year personal financial plan with annual benchmarks that integrate long-term financial independence goals, career, income, saving and investing, major purchases, and risk management strategies (E, S).

(11) Entrepreneurship and Personal Financial Opportunity. The student understands that entrepreneurship in a free enterprise system rooted in individual initiative and economic liberty can provide opportunities for individuals to create value, assume risk, earn profit, build personal financial stability, and contribute to economic growth through responsible and ethical financial decision-making. The student is expected to:

(A) identify how aptitudes, skills, and knowledge create opportunities for innovation through entrepreneurship by using supply and demand to recognize consumer needs and market opportunities for potential products or services (E);

(B) explain how principles of personal financial responsibility are necessary to manage scarce resources, control expenses, plan for risk, and operate a successful business (E);

(C) describe how entrepreneurs use individual initiative, innovation, private property, and factors of production to respond to supply and demand, solve market problems, create value, assume financial risk, earn profit, and build wealth in a free enterprise system (G/Civ, E);

(D) identify that most businesses in Texas are small businesses operated by entrepreneurs and describe how entrepreneurs build wealth by creating jobs, owning private property, and contributing to community prosperity (G/Civ, E, S);

(E) identify common federal tax forms used by businesses, including Form W-9 and Form 1099 (G/Civ, E);

(F) identify the Limited Liability Company (LLC) as a common business structure for entrepreneurs because it provides limited personal liability, flexible management, and tax flexibility (G/Civ, E);

(G) explain the importance of seeking the advice of a lawyer and accountant when making business decisions as an individual or entrepreneur (G/Civ, E);

(H) explain how business ownership and multiple income streams through entrepreneurship support personal financial stability, build long-term wealth, and provide opportunities for charitable giving and investment in communities (E, S); and

(I) develop a business plan that applies personal financial literacy concepts for a product of service that fills an identified consumer or market need, including goal setting and income projections, budgeting, responsible use of debt, saving and investing, and long-term wealth building (G/Civ, E, S).

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

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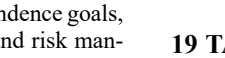

19 TAC §113.27, §113.28

The State Board of Education (SBOE) adopts new §113.27 and §113.28, concerning Texas Essential Knowledge and Skills (TEKS) for social studies. The new sections are adopted with changes to the proposed text as published in the May 15, 2026 issue of the *Texas Register* (51 TexReg 3210) and will be republished. The adopted new TEKS update the social studies standards and implement House Bill (HB) 824 and Senate Bill (SB) 24, 89th Texas Legislature, Regular Session, 2025.

REASONED JUSTIFICATION: In accordance with statutory requirements that the SBOE identify by rule the essential knowledge and skills of each subject in the required curriculum, the SBOE follows a board-approved cycle to review and revise the essential knowledge and skills for each subject.

The TEKS for social studies and economics were originally adopted effective September 1, 1998. The Kindergarten-Grade 12 social studies TEKS and the TEKS for economics were revised effective August 23, 2010. In 2015, the SBOE adopted revisions to the TEKS for certain Advanced Placement (AP) and International Baccalaureate (IB) social studies courses to require that students demonstrate proficiency in the TEKS for the corresponding AP and IB courses, in addition to the AP or IB course requirements. In 2018, the SBOE approved streamlining revisions to the social studies TEKS for Kindergarten-Grade 8 and four high school social studies courses (United States History Studies, World History Studies, World Geography, and United States Government). The SBOE also streamlined the TEKS for Economics with Emphasis on the Free Enterprise System and Its Benefits and consolidated the TEKS for economics into Chapter 113. In April 2020, the SBOE approved proposed revisions to Chapter 113, Subchapter D, to update references to course numbers and titles to reflect the revisions to the social studies TEKS.

In 2021, SB 1063, 87th Texas Legislature, Regular Session, amended TEC, §28.025, to add a one-half credit course in personal financial literacy and economics as an option to meet the one-half credit graduation requirement for economics under the Foundation High School Program. SB 1063 required that the SBOE adopt TEKS for the personal financial literacy and economics course and that the required curriculum for the course allocate two-thirds of the instructional time to personal financial literacy and one-third of instructional time to economics. At its June 2022 meeting, the SBOE adopted TEKS for the new course, §113.76, Personal Financial Literacy and Economics, and the rule became effective August 1, 2022.

In 2021, the 87th Texas Legislature passed HB 4509, Regular Session, and SB 3, Second Called Session, to require the teaching of informed patriotism and the founding documents of the United States and require the SBOE to adopt essential knowledge and skills for social studies that develop each student's civic knowledge, including an understanding of the fundamental moral, political, and intellectual foundations of the United States government. The SBOE approved proposed amendments to Chapter 113, Subchapters A-C, to update the standards for Kindergarten-Grade 8 and five high school courses (Economics with Emphasis on the Free Enterprise System and Its Benefits, United States History Studies Since 1877, World History Studies, World Geography Studies, and United States Government) to align with SB 3 requirements.

In October 2024, the chairman of the SBOE established an ad hoc committee on social studies standards. The committee was charged with evaluating Texas's current social studies learning standards, researching best practices in history and civics education, and providing recommendations for developing exemplary state standards to ensure that Texas students receive a high-quality social studies education that prepares them for informed citizenship.

The goal of the committee was to provide clear, actionable recommendations for developing social studies curriculum standards that will position Texas as a national leader in history and civics education. The standards should equip students with essential knowledge of world, United States, and Texas history; geography; and civic institutions while fostering the skills and dispositions needed for engaged citizenship in a diverse democratic republic.

In 2025, the 89th Texas Legislature, Regular Session, passed HB 27, which revised the high school social studies graduation requirement for students who enter Grade 9 in the 2026-2027 school year and thereafter. Under HB 27, students must successfully complete a one-half credit personal financial literacy course instead of the one-half credit economics course or one-half economics and personal financial literacy and economics course to satisfy the economics requirement under the Foundation High School Program. Additionally, the bill permits students in this cohort to select the third social studies credit required for graduation from one credit in economics, world geography, or world history. As a result, the bill requires the approval of a one-credit economics course for this cohort while the current one-half economics course offerings remain in place for students not subject to HB 27. The bill also added new TEC, §28.025(b-24), requiring the SBOE to allow a student to comply with the personal financial literacy requirement by successfully completing an AP course that contains substantively similar and rigorous academic content.

HB 824, 89th Texas Legislature, Regular Session, 2025, added TEC, §28.002(h-3), to require the SBOE to adopt essential knowledge and skills for the government component of the social studies curriculum that address specific topics to develop each student's civic knowledge, including the role of government officials, the voting process, the eligibility requirements to run for elected office, Robert's Rules of Order, and the elected officials who represent the student.

Additionally, SB 24, 89th Texas Legislature, Regular Session, 2025, added TEC, §28.002(h-11), to require the SBOE to adopt social studies TEKS for Grades 4-12 that develop each student's understanding of communist regimes and ideologies and that provide age and developmentally appropriate instruction and information on the topic.

During the April 10, 2025 Ad Hoc Committee on Social Studies meeting, a public hearing on recommendations for a framework to guide the organization of the TEKS for social studies, including the identification of core content topics that students should know in United States history, Texas history, world history, geography, and civics in Kindergarten-Grade 12, was conducted. Texas Education Agency (TEA) staff presented an update on the status and progress of the Social Studies Ad Hoc Committee's charges, and the Committee of the Full Board (COFB) heard public testimony at the June 2025 meeting. A survey to collect input on key topics, strand titles, course sequencing/layering, and effective practices to inform the social studies TEKS revision was distributed in August 2025.

At the September 2025 meeting, the SBOE approved the social studies framework course sequence and strands for Kindergarten-Grade 8. The SBOE designated content advisors for the

social studies TEKS review, and an application to serve on social studies TEKS review work groups was posted on the TEA website in October 2025. A discussion item regarding content advisor recommendations for key topics to be included in the social studies TEKS framework was presented to the COFB at the November 2025 meeting. The content advisors were also directed to address instructional requirements from HB 27, HB 824, and SB 24 in their recommendations. At the January 2026 meeting, the SBOE approved key topics and subtopics to be included in the new TEKS for social studies. Work group meetings were convened in February 2026 to develop draft recommendations for the new social studies TEKS. As part of the SBOE's process for the review and revision of the TEKS, education service centers (ESCs) collected feedback from educators in their regions on the work group drafts and submitted the feedback to TEA.

The SBOE held a public hearing and discussed the proposed new TEKS for social studies at a special called meeting in February 2026. In March 2026, TEA convened additional work groups to address the feedback from the SBOE and ESC focus groups to finalize their recommendations. At the April 2026 meeting, the SBOE held a public hearing on the proposed new TEKS. At the meeting, the SBOE removed §113.26, Personal Financial Literacy (One-Half Credit), Adopted 2026, from the proposal and directed staff to post on the TEA website both the proposed new course as presented in the April agenda and an alternative version presented during the meeting and to collect informal public feedback. At that time, the SBOE also approved the remaining proposed new rules in 19 TAC Chapter 113, Subchapters A-D, for first reading and filing authorization.

At the June 2026 meeting, the SBOE removed §113.24, United States History Studies (One Credit), Adopted 2026; §113.25, United States Government (One Half Credit), Adopted 2026; §113.27, World History Studies (One Credit), Adopted 2026; and §113.28, World Geography Studies (One Credit), Adopted 2026, from the proposal and approved the remaining proposed new rules in Chapter 113, Subchapters A-C, for second reading and final adoption. Chapter 113, Subchapter D, was not approved.

The following changes were made since approved for first reading and filing authorization.

Subsection (a) in §113.27 and §113.28 related to implementation was updated to the 2033-2034 school year.

Subsection (c)(2)(A) in §113.27 and §113.28 was amended by replacing the phrase "emulate the preservation of" with the term "preserve."

The following language proposed in subsection (c)(5) in §113.27 and §113.28 was deleted: Social studies skills are incorporated into the teaching of social studies content. Students use social studies practices to demonstrate understanding and apply reasoning to the study of people, places, issues, and events. A greater depth of understanding of complex content material is attained when social studies content and disciplinary thinking skills are taught together. Skills should include.

New subsection (c)(5) in §113.27 and §113.28 was added to read, "Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions. Where appropriate, skills should include."

Section 113.27(c)(5)(K) was amended by adding social studies strands.

Proposed §113.27(d)(1)(A) related to characteristics of prehistory and history was deleted.

Section 113.27(d)(1)(A) was amended to read, "describe how the development of agriculture during the Neolithic Revolution led to permanent settlements (H, Geo/C, E)."

Section 113.27(d)(1)(B) was amended to read, "compare major characteristics of River Valley civilizations in Mesopotamia, Egypt, and the Indus Valley, including settlement patterns and farming (Geo/C)."

Proposed §113.27(d)(1)(D) related to primary sources, secondary sources, and geographic tools was deleted.

Section 113.27(d)(2)(B) was amended to read, "identify the contributions of ancient Hebrews, including monotheism and moral and ethical teachings found in the Torah, which influenced the development of Western civilizations and the United States (H, G/Civ, Geo/C)."

Proposed §113.27(d)(3)(B) related to foundational roles of Athens and Sparta was deleted.

Section 113.27(d)(3)(B) was amended by deleting the phrase "including the battles of Marathon and Salamis."

New §113.27(d)(3)(C) was added to read, "explain how the Battles of Marathon and Thermopylae demonstrated Greek resistance to invasion during the Persian War (H, G/Civ)."

Proposed §113.27(d)(3)(D) related to roles of Spartans in the Persian War was deleted.

Section 113.27(d)(3)(D) was amended by deleting the phrase "the Athenian and Spartan conflict known as" and adding the word "how" after the verb "describe" and deleting the phrase "and how it" after the phrase "Peloponnesian War."

Section 113.27(d)(3)(F) was amended to read, "describe important contributions of Greek scholars, including Socrates, Hippocrates, Pythagoras, and Herodotus, to Western civilizations and the United States and identify contributions of art and architecture, including the Parthenon (H, G/Civ, Geo/C, S)."

Section 113.27(d)(3)(G) was amended to read, "contrast democratic processes in Athens and Sparta, including the influence of democratic processes on the development of Western political thought (H, G/Civ, Geo/C, S)."

Section 113.27(d)(4)(A) was amended by adding the word "the" before the phrase "Roman Empire" and replacing the phrase "downfall of kings" with the phrase "overthrow of the monarchs."

Section 113.27(d)(4)(C) was amended by replacing the verb "assess" with the verb "identify," deleting the word "republicanism" before the phrase "Roman Law," and adding the phrase "along the Roman Road system" after the word "arts."

Section 113.27(d)(4)(E) was amended to read, "explain the idea of self-governance found in ancient Roman texts, including the inspiration of Cincinnatus to George Washington, the structure of a republican government, and the influence of Cicero on the American founders (H, S)."

Section 113.27(d)(5)(A) was amended to read, "describe the origins and early spread of Christianity, including the life and teachings of Jesus, roots in Judaism, the role of apostles in the Roman

Empire, and moral teachings from the Old and New Testaments that influenced Western civilization (H, Geo/C)."

Section 113.27(d)(5)(B) was amended by adding the phrase "by Emperor Constantine" after the word "Christianity" and deleting the phrases "the conquests of Emperor Constantine" and "the debates in the First Council of Nicaea" from the including statement.

Section 113.27(d)(5)(C) was amended by adding the phrase "universality of human dignity that resulted from" before the word "Christianization" and removing the phrase "and the universality of human dignity" after the phrase "the Roman Empire."

Section 113.27(d)(6)(A) was amended by deleting the phrase "including the Vedas and Upanishads."

Proposed §113.27(d)(6)(C) related to Indian history during the Mauryan Empire was deleted.

The following language in proposed §113.27(d)(7)(A), (C), and (D) was deleted: (A) identify that Confucian beliefs are found in the Analects (Geo/C); (C) describe the diffusion of Buddhism, including trade along the Silk Road (Geo/C); and (D) explain how the compass, gunpowder, and printing transformed societies (H, Geo/C, E).

Section 113.27(d)(7) was amended to read, "(7) Classical World and Foundational Ideas. The student understands ancient Chinese civilization. The student is expected to describe important developments of Chinese dynasties, including the conquest of southern China during the Qin dynasty, the spread of Buddhism along the Silk Road and paper during the Han dynasty, and porcelain and gunpowder during the Tang dynasty (Geo/C, S)."

Section 113.27(d)(8)(A) was amended by inserting the word "how" after the verb "explain" and inserting the phrase "influenced later developments in Western civilization" after the phrase "Byzantine Empire."

Proposed §113.27(d)(8)(D) related to beliefs of Islam was deleted.

New §113.27(d)(8)(D) was added to read, "explain early Islam in terms of Mohammed, the prophet of Islam's, brutal military campaigns against Jewish and Christian tribes, the normalization and regulation of slavery, and the taking of female captives as harem slaves (Geo/C)."

Section 113.27(d)(8)(E) was amended by inserting the phrase "including Jerusalem, Syria, and Egypt" after the phrase "Christian lands."

Section 113.27(d)(8)(G) was amended by deleting the word "the" before the word "Tours."

Section 113.27(d)(9)(A) was amended to read, "describe the political changes in Medieval Europe, including the rise of feudalism, knights, and the Norman Conquest (H, G/Civ, Geo/C, E)."

Section 113.27(d)(9)(C) was amended to read, "explain intellectual developments of Western civilization, including The Great Schism of 1054, canon law, and the creation of universities (H, G/Civ, Geo/C)."

Proposed §113.27(d)(9)(D) related to developments including windmills and watermills was deleted.

Proposed §113.27(d)(9)(E) related to comparing European and Japanese feudalism was deleted.

Section 113.27(d)(10)(A) was amended by replacing the verb "analyze" with the phrase "explain the significance of" and inserting the phrase "in the development of constitutional government" after the phrase "property rights."

Proposed §113.27(d)(10)(B) related to social developments in the Late Middle Ages was deleted.

New §113.27(d)(10)(B) was added to read, "describe the effects of the Black Death and the medieval military revolution (H, G/Civ, Geo/C, E, S)."

New §113.27(d)(10)(C) was added to read, "describe the effects of the medieval military revolution on the decline of feudalism and the rise of centralized monarchies (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(10)(D) was amended by inserting the phrase "the factors that resulted in" after the verb "explain," replacing the word "in" with the word "between," and adding the phrase "resulting in the conversion of the Hagia Sophia" before the phrase "in 1453."

Section 113.27(d)(10)(E) was amended by replacing the word "the" with the word "individual" before the word "rights" and deleting the phrase "of citizens" after the word "rights."

Section 113.27(d)(11)(A) was amended by inserting the phrase "the role of the caste system" after the phrase "Mughal Empire."

Proposed §113.27(d)(11)(B) related to Indian and Chinese cultural developments between 1000 and 1700 was deleted.

Section 113.27(d)(11)(B) was amended by adding the phrase "through conquering rival kingdoms and expanding trade" after the word "China."

New §113.27(d)(11)(C) was added to read, "describe the expansion of the Silk Road, including Marco Polo's influence on expanded trade between Europe and Asia (H, Geo/C, E)."

Section 113.27(d)(12) was amended by deleting the phrase "Renaissance and the Reformation."

Section 113.27(d)(12)(A) was amended by replacing the word "this" with the phrase "these developments."

Section 113.27(d)(12)(B) was amended by replacing the phrase "liberty, self-government," with the word "learning."

Section 113.27(d)(12)(E) was amended by making the word "Protestant" plural, capitalizing the word "Church," and deleting the phrase "The Great Peasants' War."

Section 113.27(d)(12)(F) was amended to read, "identify Renaissance elements in art, including The Duomo, The Mona Lisa, The Last Supper, The Pieta, and The School of Athens (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(13)(B) was amended to read, "explain key philosophies of the Enlightenment, including primacy of reason over superstition and natural rights, and describe the influence of the Enlightenment on American political thoughts (H, G/Civ, Geo/C, E)."

Proposed §113.27(d)(14)(A) related to consolidation of nation states in Europe between 1500 and 1800 was deleted.

New §113.27(d)(14)(A) was added to read, "describe how European monarchs strengthened national governments by increasing royal power, collecting taxes, creating national armies, and unifying kingdoms, including England, France, and Spain (H, G/Civ, Geo/C, E)."

Section 113.27(d)(14)(C) was amended to read, "describe the rise of English liberty, including the conflict between the monarchy and Parliament leading to the English Civil War, the progression of political change through the Glorious Revolution, and the establishment of rights in the English Bill of Rights (H, G/Civ, Geo/C, S)."

Section 113.27(d)(15) was amended by replacing the term "Pre-Columbian" with the term "pre-Columbian."

Section 113.27(d)(15)(A) was amended to read, "identify key features of pre-Columbian civilizations, including Aztec tribute systems and human sacrifice, Incan road networks and agricultural terracing, and Taíno village life and trade in the Caribbean (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(15)(B) was amended to read, "analyze the effect of geography on pre-Columbian civilizations, including agriculture and settlement patterns (H, Geo/C, E, S)."

Section 113.27(d)(16)(A) was amended by replacing the term "causes" with the word "motivations."

Section 113.27(d)(16)(C) was amended by adding the phrase "and cooperation" after the word "conflicts."

Section 113.27(d)(16)(D) was amended to read, "describe how slavery emerged and expanded as a global institution through warfare, raids, and regional slave trading networks in Africa, the Mediterranean world, and the Americas, including the role of the Barbary slave trade and the Atlantic slave trade (H, G/Civ, Geo/C, E)."

New §113.27(d)(16)(E) was added to read, "explain how William Wilberforce's belief in the inherent dignity and rights of all people based on his Christian faith motivated his efforts to abolish the British slave trade and influenced movements to end slavery around the world (H, G/Civ)."

Section 113.27(d)(17)(A) was amended by replacing the verb "describe" with the verb "explain" and replacing the phrase "were used to justify" with the term "influenced."

Section 113.27(d)(17)(B) was amended by replacing the phrase "explain the events of" with the phrase "describe the political instability during" and replacing the Roman numeral "XIV" with the Roman numeral "XVI."

New §113.27(d)(17)(C) was added to read, "explain how the universality of natural rights expressed in the Declaration of Independence contrasted with the French Revolution's periods of disregard for the rights and dignity of the individual, including political violence during the Reign of Terror and the authoritarian rise of Napoleon (H, G/Civ, E, S)."

Proposed §113.27(d)(17)(D) related to universality of natural rights expressed in the Declaration of Independence was deleted.

Section 113.27(d)(17)(D) was amended by deleting the phrase "the Napoleonic Wars and" after the verb "explain" and deleting the phrase "the weakening of Spanish and French colonial control."

Section 113.27(d)(18)(A) was amended to read, "explain the development of the Industrial Revolution, including factories, new energy sources, urbanization, and the growth of the United States as a melting pot in which people from diverse backgrounds contributed to a shared American society (H, G/Civ, Geo/C, E)."

Section 113.27(d)(18)(C) was amended by deleting the word "and" after the word "proletariat" and adding the phrase "and socialism as a transitional stage toward communism" after the phrase "private property."

Section 113.27(d)(19)(A) was amended to read, "describe how Enlightenment ideas led to political changes in 19th-century England, including suffrage reform and John Locke's ideas about democratization (H, G/Civ, Geo/C, S)."

Section 113.27(d)(19)(E) was amended to read, "explain how nationalism, Romanticism, secularism, and the Catholic response to Liberalism shaped European society (H, G/Civ, Geo/C, S)."

Section 113.27(d)(20)(A) was amended to read, "describe political instability in Latin America following independence movements due to the lack of a common political vision (H, G/Civ, Geo/C, E)."

Section 113.27(d)(20)(B) was amended to read, "describe the influence of British imperialism on India, including transportation and government infrastructure (H, G/Civ, Geo/C, E)."

New §113.27(d)(20)(C) was added to read, "explain how competition among European nations led to the Berlin Conference, increased imperial expansion in Africa, and Spheres of Influence in Asia (H, G/Civ, Geo/C, E)."

The following language in proposed §§113.27(d)(20)(D) and (E) was deleted: (D) explain the causes and effects of imperial expansion in 19th-century Africa, including the Berlin Conference (H, G/Civ, Geo/C, E); and (E) describe European competition in the late 19th century during the Scramble for Africa and Sphere of Influence in Asia (H, G/Civ, Geo/C, E, S)."

Proposed §113.27(d)(21)(B) related to key events on the Western Front during WWI was deleted.

New §113.27(d)(21)(B) was added to read, "explain how trench warfare on the Western Front during WWI led to prolonged stalemate, high casualties, and innovations in military technology and battlefield trauma care (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(21)(C) was amended to read, "explain political results of WWI, including the Treaty of Versailles and the Sykes-Picot Agreement, and identify the importance of Remembrance days in honoring military heroes (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(21)(E) was amended to read, "use maps to explain territorial changes in Europe, the Middle East, and Africa caused by WWI (H, G/Civ, Geo/C, S)."

Section 113.27(d)(22)(A) was amended by adding the social studies strand "(H, G/Civ, Geo/C)."

Section 113.27(d)(22)(B) was amended by replacing the phrase "World War I" with the acronym "WWI" and adding the phrase "National Socialist German Workers Party" after the word "Nazis."

Section 113.27(d)(22)(C) was amended by replacing the term "fascism" with the phrase "communism in the Soviet Union."

Section 113.27(d)(22)(D) was amended by replacing the word "to" with the word "through."

Section 113.27(d)(22)(E) was amended by deleting the phrase "fascism, Nazism, and."

New §113.27(d)(22)(F) was added to read, "describe how the Nazi (National Socialist German Workers Party) regime used propaganda, censorship, the Nuremberg Laws, and dehuman-

ization to persecute Jews and facilitate the Holocaust (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(23)(B) was amended to read, "explain how the conflict in China between Nationalists and the Chinese Communist Party led to the establishment of communism under Mao (H, G/Civ, Geo/C, E)."

Section 113.27(d)(24)(A) was amended by deleting the word "and" after the word "regimes," adding the phrase "Pearl Harbor as" after the phrase "economic depression, and" and replacing the word "causes" with the word "cause."

Proposed §113.27(d)(24)(C) related to the Holocaust was deleted.

New §113.27(d)(24)(C) was added to read, "define the Holocaust as the systemic, bureaucratic, and state-sponsored persecution and murder of six million Jews by the Nazi (National Socialist German Workers Party) regime and its collaborators (H, G/Civ, Geo/C)."

New §113.27(d)(24)(D) was added to read, "explain the main causes of the Holocaust, including antisemitism (H)."

New §113.27(d)(24)(E) was added to read, "identify the consequences of the Holocaust, including demographic and cultural shifts and the creation of the term 'genocide' (H)."

Section 113.27(d)(25)(A) was amended by replacing the phrase "the Arms and Space Race" with the phrase "competition for technological advancement."

Section 113.27(d)(25)(B) was amended to read, "describe how containment led to the Truman Doctrine, the Marshall Plan, and the North Atlantic Treaty Organization (NATO) (H, G/Civ, Geo/C, E, S)."

Proposed §113.27(d)(25)(C) related to key causes of the Soviet Union's decay was deleted.

New §113.27(d)(25)(C) was added to read, "describe the decay and the final collapse of the Soviet empire, including the role of President Reagan's 'Tear Down This Wall' speech, Lech Walesa, and the Solidarity movement in challenging communist rule in Poland (H, G/Civ, Geo/C, E)."

Proposed §113.27(d)(25)(D) related to final collapse of the Soviet empire was deleted.

Section 113.27(d)(25)(D) was amended to read, "contrast the outcomes of the Soviet Cold War with the United States, including the continued strength of the American constitutional and free enterprise systems (H, G/Civ, Geo/C, E, S)."

Section 113.27(d)(26)(C) was amended to read, "describe major events of the Korean Conflict, including the North Korean invasion of South Korea, the Battle of Inchon, and Chinese intervention (H)."

New §113.27(d)(26)(D) was added to read, "explain the outcomes of the signing of the Korean Armistice Agreement, including the establishment and continued maintenance of the Demilitarized Zone (DMZ), the division of Korea into North and South Korea, and continued tensions on the Korean Peninsula (H, G/Civ, Geo/C)."

Section 113.27(d)(26)(E) was amended to read, "explain the history of India and Pakistan, including the end of British rule, the Partition of India, and the Islamization of Pakistan (H, G/Civ, Geo/C, E)."

New §113.27(d)(26)(F) was added to read, "identify 1948 as the year the modern state of Israel was established in the ancestral homeland of the Jews and U.S. President Truman became the first world leader to formally recognize Israel (H, G/Civ)."

Section 113.27(d)(26)(H) was amended by replacing the word "Vietnam" with the phrase "the fall of Saigon."

Section 113.27(d)(26)(I) was amended to read, "explain the political developments in Africa, including the effects of decolonization, the rise of communism, and the leadership of Nelson Mandela in the era of apartheid in South Africa (H, G/Civ, Geo/C, E)."

Section 113.27(d)(27)(B) was amended to read, "describe documented human rights abuses under communist governments, including labor camps in North Korea and government surveillance and restrictions of individual liberties in China (H, G/Civ, Geo/C)."

Section 113.27(d)(27)(C) was amended to read, "explain developments in Eurasia since 1989, including the Tiananmen Square Massacre and Russia's post-Soviet centralization of authority, that reshaped the global balance of power (H, G/Civ, Geo/C, E)."

Section 113.27(d)(27)(D) was amended by replacing the phrase "Iranian proxies" with the phrase "the Muslim Brotherhood."

Section 113.27(d)(27)(E) was amended by deleting the phrase "the Patriot Act, and the Department of Homeland Security."

Proposed §113.27(d)(27(F) related to globalization since 1991 was deleted.

New §113.27(d)(27)(F) was added to read, "analyze how the dissolution of the Union of Soviet Socialist Republics (USSR) in 1991 accelerated globalization by expanding market economies (H, G/Civ, Geo/C, E, S)."

Subsection 113.28(c)(1) was amended to read, "In World Geography Studies, students examine people, places, and environments at local, regional, national, and international scales from the spatial perspectives of geography. Students describe the influence of geography on events of the past and present. The course includes nine geographic regions that are examined through several thematic lenses such as the physical processes that shape patterns in the physical environment; the characteristics of major landforms and climates; population geography and human-environment interaction; the historical, political, economic, and cultural factors that shape regions; types and patterns of settlement; the distribution and movement of the world population; relationships among people, places, and environments; and the concept of region. Students analyze how location affects economic activities in different economic systems. Students identify the historical and geographic factors that influence boundaries and organization of governments. Students compare how components of culture shape the characteristics of regions and analyze the impact of technology and human modifications on the physical environment."

Subsection 113.28(c)(5)(D) was amended by replacing the phrase "reflect the values and decisions of their creators" with the phrase "affect information presented."

Subsection 113.28(c)(5)(E) was amended by replacing the word "globalization" with the phrase "global trade."

Section 113.28(d)(1)(B) was amended by replacing the phrase "reflect choices, limitations, and biases in geographic representation, including distortions introduced by the Mercator projections" with the phrase "represent geographic information."

Proposed §113.28(d)(1)(C) related to geography tools was deleted.

Proposed §113.28(d)(1)(D) related to mental maps was deleted.

Section 113.28(d)(2)(A) was amended by replacing the verb "interpret" with "analyze" and replacing "understand" with "describe" before "population."

The following language in proposed §§113.28(d)(2)(B), (C), (D), (E), (G), (H), and (I) was deleted: "(B) use the demographic transition model, population pyramids, and dependency ratios to predict future population trends of different societies (Geo/C, S); (C) compare how people depend on, adapt to, and modify their environment using geography tools (Geo/C, S); (D) compare levels of development and standard of living in a variety of places using Gross Domestic Product (GDP) and literacy rates (Geo/C, S); (E) define and describe the components of culture, including identity, language, faith-based systems, shared practices, material goods (Geo/C); (G) compare government systems along the political spectrum between limited and unlimited systems, including democracy, dictatorship, monarchy, republic, theocracy, authoritarian, and totalitarian (G/Civ); (H) describe how Earth-Sun relationships and elevation impact the spatial distribution of climates or biomes (Geo/C); and (I) describe patterns of culture, including language, religion, land use, education, and customs (Geo/C)."

New §113.28(d)(2)(B) was added to read, "analyze the relationship between access to reliable and affordable energy, including fossil fuels and intermittent, renewable energy sources to Gross Domestic Product (GDP), literacy rates, and other indicators of human flourishing (Geo/C, S)."

Section 113.28(d)(3)(A) was amended to read, "describe how Earth-Sun relationships naturally influence weather conditions, including tornadoes in Tornado Alley and hurricanes along the Gulf of America and Atlantic Coasts (Geo/C)."

Section 113.28(d)(4)(B) was amended by replacing the phrase "push and pull factors" with the phrase "push-pull factors."

Proposed §113.28(d)(5)(A) related to benefits and consequences of human-environment interactions was deleted.

New §113.28(d)(5)(A) was added to read, "explain how human ingenuity has helped people adapt to the environment in the United States and Texas, including the Hoover Dam, air conditioning, and the Clean Air Act (G/Civ, Geo/C, E)."

Section 113.28(d)(5)(B) was amended by replacing the term "hazards" with the term "events."

Section 113.28(d)(5)(C) was amended by replacing the term "hazards" with the term "events."

Section 113.28(d)(6)(A) was amended by replacing the phrase "globalization related to economic practices or systems" with the phrase "global trade."

Proposed §113.28(d)(7)(B) related to components of cultural landscapes in the United States and Canada, including Texas, was deleted.

Section 113.28(d)(7) was amended to read, "(7) United States and Canada, including Texas. The student understands the cultural geography of the United States and Canada, including Texas. The student is expected to explain cultural convergence, including shared Enlightenment ideals and the development of the United States and Texas as melting pots (Geo/C, E)."

Section 113.28(d)(8)(A) was amended to read, "explain the role of boundaries, including the Rio Grande, the Great Lakes, Alaska, and state boundaries, in the spatial organization of states to maintain sovereignty and manage natural resources (Geo/C)."

Proposed §113.28(d)(8)(B) related to participation by sovereign states in international organizations in the United States and Canada, including Texas, was deleted.

New §113.28(d)(8)(C) was added to read, "memorize and locate on maps the fifty United States; Austin, the capital of Texas; and Washington, D.C., the capital of the United States (G/Civ, Geo/C)."

Section 113.28(d)(9) was amended by adding the phrase "and the Caribbean" after the phrase "Latin America" in both instances.

Section 113.28(d)(9)(A) was amended by deleting the word "and" after the phrase "Andes Mountains" and adding the phrase "and the Caribbean archipelago" after the phrase "Amazon River Basin."

Proposed §113.28(d)(9)(B) related to the benefits and consequences of human-environment interactions was deleted.

New §113.28(d)(9)(B) was added to read, "explain how human ingenuity has helped people adapt to the environment in Latin America and the Caribbean, including chinampas, Incan terrace farming, rainforest conservation, and the Panama Canal (Geo/C, E)."

Section 113.28(d)(9)(C) was amended by adding the phrase "and the Caribbean" after the phrase "Latin America" and replacing the term "hazards" with the term "events."

Section 113.28(d)(10) was amended by adding the phrase "and the Caribbean" after "Latin America" in both instances.

Proposed §113.28(d)(10)(A) related to government polices influencing size and distribution of settlements was deleted.

Proposed §113.28(d)(10)(B) related to physical features influencing size and distribution of settlements was deleted.

Section 113.28(d)(10)(A) was amended by adding the phrase "and the Caribbean" after "Latin America."

Section 113.28(d)(10)(B) was amended to read, "analyze push-pull factors that affect internal human migration patterns in South America, including economic and safety conditions (G/Civ, E)."

Section 113.28(d)(11) was amended to read, "(11) Latin America and the Caribbean. The student understands the political geography of Latin America and the Caribbean. The student is expected to compare how political power is distributed in various countries, including Mexico and Cuba (G/Civ)."

Section 113.28(d)(11)(A) related to participation by sovereign states in regional and international organizations was deleted.

Section 113.28(d)(12) was amended by adding the phrase "and the Caribbean" after the phrase "Latin America" in both instances.

New §113.28(d)(12)(A) was added to read, "identify the cultural characteristics that define Latin America and the Caribbean (Geo/C)."

Section 113.28(d)(12)(B) was amended to read, "explain how cultural convergence was influenced by innovations, including communication technology and the blending of African, Euro-

pean, and indigenous traditions among Afro-Caribbean populations and the Catholic faith (Geo/C, E)."

Proposed §113.28(d)(12)(C) related to components of cultural landscapes was deleted.

Section 113.28(d)(13) was amended by deleting the phrase "Sub-Saharan" before the word "Africa" in both instances.

Section 113.28(d)(13)(A) was amended by replacing the word "impact" with the phrase "naturally influence" and deleting the phrase "Sub-Saharan" before the word "Africa."

Section 113.28(d)(13)(B) was amended by deleting the phrase "and biomes" after the word "landforms," deleting the word "and" after the word "Sahel," and adding the phrase "the Sahara Desert, the Nile River" after the phrase "Mount Kilimanjaro."

Proposed §113.28(d)(13)(C) related to the benefits and consequences of human-environment interactions was deleted.

New §113.28(d)(13)(C) was added to read, "explain how human ingenuity has helped people adapt to the environment in Africa, including qanats, irrigation systems, terrace farming, and wildlife conservation (G/Civ, Geo/C, E)."

Section 113.28(d)(13)(D) was amended by replacing the word "hazards" with the word "events."

Section 113.28(d)(14) was amended by deleting the phrase "Sub-Saharan" before the word "Africa" in both instances.

Section 113.28(d)(14)(A) was amended by replacing the phrase "historical colonial" with the phrase "European transportation."

Section 113.28(d)(14)(B) was amended by adding the word "of" after the word "effects" and deleting the phrase "Sub-Saharan" before the word "Africa."

Section 113.28(d)(14)(C) was amended by deleting the phrase "Sub-Saharan" before the word "Africa," adding the phrase "and the" after the phrase "Rwandan Genocide," and deleting the phrase "and conflict in Sudan" after the word "Congo."

Section 113.28(d)(15) was amended by deleting the phrase "Sub-Saharan" before the word "Africa" in both instances.

Proposed §113.28(d)(15)(A) related to economic activities in Sub-Saharan Africa was deleted.

New §113.28(d)(15)(A) was added to read, "analyze the economic and human effects of labor practices in Africa, including practices associated with Chinese-owned enterprises and child labor in the extraction of cobalt and other critical minerals (H, E)."

Proposed §113.28(d)(15)(B) related to participation by sovereign states in Africa was deleted.

Section 113.28(d)(15)(B) was amended to read, "compare how political power is distributed, including the federal system of Nigeria and the unitary system of Kenya, in African countries (H, G/Civ)."

Section 113.28(d)(16) was amended by deleting the phrase "Sub-Saharan" before the word "Africa" in both instances.

Section 113.28(d)(16)(A) was amended by deleting the phrase "Sub-Saharan" before the word "Africa" and replacing the phrase "religious syncretism" with the phrase "Christianity in Ethiopia."

Section 113.28(d)(16)(B) was amended to read, "explain how cultural divergence was influenced by the Berlin Conference in Africa (H, Geo/C)."

Section 113.28(d)(16)(C) was amended by replacing the phrase "architecture and place names in Sub-Saharan Africa" with the phrase "the pyramids of Giza."

Section 113.28(d)(17) was amended by deleting the phrase "and North Africa" after the phrase "Southwest Asia" in both instances.

Section 113.28(d)(17)(A) amended to read, "describe how Earth-Sun relationships naturally influence weather in Southwest Asia, including haboobs (Geo/C)."

Section 113.28(d)(17)(B) amended by deleting the phrase "the Sahara Desert, the Nile River" before the phrase "the Red Sea."

Proposed §113.28(d)(17)(C) related to the benefits and consequences of human-environment interactions was deleted.

New §113.28(d)(17)(C) was added to read, "explain how human ingenuity has helped people adapt to the environment in Southwest Asia and the Middle East, including qanats, irrigation systems, desalination, terrace farming, and oasis agriculture (G/Civ, Geo/C, E)."

Section 113.28(d)(18) was amended by deleting the phrase "and North Africa" after the phrase "Southwest Asia" in both instances.

Section 113.28(d)(18)(A) amended to read, "describe factors, including water availability and historical trade routes, that have influenced the size and distribution of settlements in Southwest Asia across time (H, G/Civ, Geo/C)."

Section 113.28(d)(18)(B) amended by replacing the phrase "push and pull factors" with the phrase "push-pull factors" and replacing the phrase "religion, and conflict" with the phrase "and water availability."

Section 113.28(d)(18)(C) amended by deleting the phrase "and Trans-Saharan Trade."

Section 113.28(d)(19) was amended by deleting the phrase "and North Africa" after the phrase "Southwest Asia" in both instances.

Section 113.28(d)(19)(A) was amended to read, "classify economic activities in Southwest Asia, including oil extraction and refining, tourism, and trade through the Persian Gulf (E)."

Proposed §113.28(d)(19)(B) related to participation by sovereign states in international organizations in Southwest Asia was deleted.

Section 113.28(d)(19)(B) was amended by replacing the phrase "Asia and North African" with the word "Asian" and replacing the phrase "the United Arab Emirates" with the word "Israel."

Section 113.28(d)(20) was amended by deleting the phrase "and North Africa" after the phrase "Southwest Asia" in both instances.

Proposed §113.28(d)(20)(A) related to cultural convergence in Southwest Asia or North Africa was deleted.

New §113.28(d)(20)(A) was added to read, "explain the influence of Judaism and Christianity within Southwest Asia, including the Jewish Diaspora and the spread of early Christian communities (H, Geo/C)."

New §113.28(d)(20)(B) was added to read, "explain the origins and geographic diffusion of Judaism and Christianity, including the influence of the Hebrew Scriptures (Old Testament) and New Testament on law, government, literature, art, and cultural traditions (G/Civ, Geo/C)."

Section 113.28(d)(20)(C) was amended by adding the phrase "in Southwest Asia" after the word "divergence," deleting the

phrase "caused by trade," and replacing the word "religion" with the phrase "Sunni and Shia religious traditions" after "including."

Section 113.28(d)(20)(D) was amended by deleting the phrase "Burj Khalifa, the Pyramids of Giza, and the" and adding the phrase "and the Dome of the Rock at the Temple Mount" after the phrase "Hagia Sophia."

Section 113.28(d)(21)(A) was amended to read, "describe how Earth-Sun relationships naturally influence weather, including monsoons in Central Asia and cyclones in South Asia (Geo/C)."

Section 113.28(d)(21)(B) was amended by adding the word "the" before the phrase "Caspian Sea."

Section 113.28(d)(21)(C) was amended to read, "describe how places in Central and South Asia plan for, mitigate, and respond to natural events, including earthquakes and monsoons, and explain how human ingenuity has helped people adapt to the environment in Central and South Asia, including terrace farming, stepwells, cyclone shelters, and mangrove restoration (G/Civ, Geo/C, E)."

Section 113.28(d)(22)(A) was amended to read, "explain how land and maritime activities influence settlement patterns in Central and South Asia (H, G/Civ, Geo/C)."

Section 113.28(d)(22)(C) was amended to read, "analyze push-pull factors of human migration patterns in Central and South Asia (G/Civ, E)."

Section 113.28(d)(23)(A) was amended to read, "explain how economic activities in Central and South Asia, including pharmaceutical manufacturing, information technology, and outsourcing, connect the region to the global economy (E)."

Proposed §113.28(d)(23)(B) related to implications of globalization in Central and South Asia was deleted.

Section 113.28(d)(23)(B) was amended by replacing the word "or" with the word "and" between the words "Central" and "South Asia."

Section 113.28(d)(23)(C) was amended by deleting the phrase "the USSR invasion of Afghanistan and" before the phrase "the disputed territory."

Section 113.28(d)(24)(A) was amended by adding the word "how" after the verb "explain" and replacing the word "caused" with the phrase "was influenced."

Section 113.28(d)(24)(B) was amended by replacing the word "the" with the word "how" after the verb "explain" and replacing "caused" with the phrase "was influenced."

Section 113.28(d)(25)(A) was amended by replacing the word "impact" with the phrase "naturally influence."

Proposed §113.28(d)(25)(C) related to natural hazards was deleted.

New §113.28(d)(25)(C) was added to read, "explain how human ingenuity has helped people adapt to the environment in Oceania, including Aboriginal fire management, rainwater collection, and coral reef conservation (G/Civ, Geo/C, E)."

Section 113.28(d)(25)(D) was amended by replacing the word "hazards" with the word "events."

Section 113.28(d)(27)(C) was amended by deleting the phrase "and terrorism."

Section 113.28(d)(28)(A) was amended by adding the word "how" after the verb "explain" and replacing the word "caused" with the phrase "was influenced."

Section 113.28(d)(28)(B) was amended by replacing the word "the" with the word "how" after the verb "explain," replacing the word "caused" with the phrase "was influenced," and deleting the phrase "and colonial influence."

Section 113.28(d)(29)(A) was amended by replacing the word "impact" with the phrase "naturally influence" and deleting the phrase "and tsunamis" after the word "typhoons."

Section 113.28(d)(29)(B) was amended by deleting the phrase "the Himalayas" after the phrase "the Gobi Desert."

Proposed §113.28(d)(29)(C) related to places in East Asia that plan for, mitigate, and respond to natural events was deleted.

Section 113.28(d)(30)(B) amended by replacing the phrase "push and pull factors" with the phrase "push-pull factors."

Proposed §113.28(d)(30)(C) related to comparing East Asian countries was deleted.

Section 113.28(d)(30)(C) was amended to read, "explain how China's one-child policy used government authority to restrict family size and to affect birth rates (G/Civ, Geo/C)."

Proposed §113.28(d)(30)(D) related to family planning policies in East Asia was deleted.

Section 113.28(d)(31)(A) was amended to read, "explain East Asia's role in the global economy, including automobile and technology manufacturing and global supply chains (E)."

Proposed §113.28(d)(31)(B) related to effects of globalization in East Asia was deleted.

Section 113.28(d)(32)(A) was amended by adding the word "how" after the verb "explain" and replacing the word "caused" with the phrase "was influenced."

Section 113.28(d)(32)(B) was amended by replacing the word "the" with the word "how" and replacing the word "caused" with the phrase "was influenced."

Section 113.28(d)(33) was amended by lowercasing the word "republics" in the phrase "Russia and the republics" that appears within the sentence, not the key topic title.

Proposed §113.28(d)(33)(B) related to the benefits or consequences of human-environment interactions was deleted.

New §113.28(d)(33)(B) was added to read, "explain how human ingenuity has helped people adapt to the environment in Russia and the republics, including permafrost engineering, the Trans-Siberian Railroad, and Aral Sea restoration (H, Geo/C, E)."

Section 113.28(d)(34) was amended by lowercasing the word "republics" in the phrase "Russia and the republics" that appears within the sentence, not the key topic title.

Section 113.28(d)(34)(A) was amended by lowercasing the word "republics" in the phrase "Russia and the republics."

Section 113.28(d)(34)(B) was amended by lowercasing the word "republics" in the phrase "Russia and the republics."

Section 113.28(d)(34)(C) amended by replacing "push and pull factors" with "push-pull factors."

Section 113.28(d)(35) was amended to read, "(35) Russia and the Republics. The student understands the economic and po-

litical geography of Russia and the republics. The student is expected to compare primary, secondary, tertiary, or quaternary economic activities, including military development and defense manufacturing, in Russia or the republics with those in the United States (H, G/Civ, E)."

Section 113.28(d)(35)(B) related to participation by sovereign states in regional organizations was deleted.

Section 113.28(d)(36) was amended by lowercasing the word "republics" in the phrase "Russia and the republics" that appears within the sentence, not the key topic title.

Section 113.28(d)(36)(A) was amended by deleting the phrase "caused by war" after the phrase "cultural convergence."

Section 113.28(d)(37)(A) was amended to correct the misspelling of "Fjords."

Proposed §113.28(d)(37)(B) related to the benefits and consequences of human-environment interactions was deleted.

New §113.28(d)(37)(B) was added to read, "explain how human ingenuity has helped people adapt to the environment in Europe, including the polder system and river restoration (Geo/C, E)."

New §113.28(d)(37)(C) was added to read, "explain the effects of reducing nuclear energy in Europe, including increased reliance on imported natural gas, higher energy costs, deindustrialization, and loss of manufacturing as manufacturing moves to countries with lower environmental and human rights standards (Geo/C, E)."

Section 113.28(d)(38)(B) was amended by replacing the phrase "patterns of human settlement" with the phrase "connections between places."

Section 113.28(d)(38)(C) amended by replacing "push or pull factors" with "push-pull factors" and deleting the phrase "the availability of high speed rail transportation."

Section 113.28(d)(39) was amended to read, "(39) Europe. The student understands the economic and political geography of Europe. The student is expected to identify the primary, secondary, tertiary, or quaternary economic activities of Europe, including tourism and high-tech manufacturing (E)."

Section 113.28(d)(39)(B) related to participation by European sovereign states in the North Atlantic Treaty Organization was deleted.

Subsection 113.28(d)(40)(A) was amended to read, "explain how cultural convergence was influenced by migration and trade, including Hellenistic culture and shared cultural traditions influenced by Christianity, the Hebrew Scriptures (Old Testament), and the New Testament (Geo/C)."

The SBOE approved the new sections for first reading and filing authorization at its June 26, 2026 meeting and for second reading and final adoption at its September 4, 2026 meeting.

The effective date is July 1, 2027.

SUMMARY OF COMMENTS AND RESPONSES: The public comment period on the proposal began May 15, 2026, and ended at 5:00 p.m. on June 15, 2026. The SBOE also provided an opportunity for registered oral and written comments at its June 2026 meeting in accordance with the SBOE board operating policies and procedures. Following is a summary of public comments received and corresponding responses.

Comment. Thirteen teachers, 16 administrators, 7 parents, 8 community members, and 2 college representatives stated that World Geography and high school social studies standards should strengthen geographic inquiry, Geographic Information System (GIS) skills, map skills, and spatial reasoning. The commenters described the proposed standards as too descriptive or uneven in disciplinary geography skills. The commenters identified spatial reasoning as important for understanding migration, trade, conflict, climate, resources, and global relationships. The commenters requested revisions that add explicit geographic skills, GIS skills, map analysis, and inquiry-based geography expectations.

Response. As a result of public comment, the SBOE took action to adopt the proposed new social studies TEKS, as amended, with consideration for the inclusion of explicit grade-level expectations for map reading, geographic analysis, and the comparison of historical and present-day maps to strengthen geographic literacy based on feedback from numerous experts, educators, and stakeholder groups. Student expectations are tagged with the letter "S" at the end of every statement where a social studies skill has been applied in the learning objective.

Comment. One community member stated that §113.42(d)(22)(A) currently requires students to describe the historical origins and central ideas in the development of monotheism and proposed adding "monism" to this expectation. The commenter stated that omitting monism limits students' ability to understand the philosophical foundations of several major religions and belief systems. The commenter requested that the standards be revised to include both monotheism and monism to provide a more comprehensive framework for understanding global religious and philosophical traditions.

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

Comment. One teacher stated that world wars and the Holocaust need to remain part of the Grade 10 World History curriculum. The commenter explained that it was an essential part of the understanding needed for the second part of U.S. history as well as human history.

Response. As a result of public comment, the SBOE took action to adopt the proposed new World History TEKS, as amended, with consideration for historical accuracy and feedback from numerous experts, educators, and stakeholder groups, including the Texas Holocaust, Genocide, and Antisemitism Advisory Commission (THGAAC). The adopted amendments strengthened Holocaust-related content by adding student expectations §113.27(d)(22)(F) and (24)(C)-(E), which include instruction related to the Holocaust.

Comment. One community member stated that §113.27(d)(9)(B) continues the pattern of portraying Islam primarily through the lens of conflict with Christianity and of highlighting the religious identity of Muslim conquerors while not doing the same for Christian conquerors. The commenter recommended rewording standards on Islam to emphasize aspects other than merely expansion and conflict.

Response. The SBOE disagrees with the commenters' proposal to revise §113.27(d)(9)(B) to reword standards on Islam emphasizing aspects other than merely expansion and conflict based on TEC, §28.002, which authorizes the SBOE to establish the essential knowledge and skills for the social studies curriculum. The SBOE maintains that the standards appropriately describe

the conflicts within the scope of world history based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One administrator recommended adding the Five Pillars of Islam in §113.27(d)(8)(D) to make it similar to §113.27(d)(6)(B) about Buddhism.

Response. As a result of public comment, §113.27(d)(8)(D) was amended at adoption to read, "explain early Islam in terms of Mohammad, the prophet of Islam's, brutal military campaigns against Jewish and Christian tribes, the normalization and regulation of slavery, and the taking of female captives as harem slaves (Geo/C)."

Comment. One administrator recommended replacing "Battle of the Tours" with "Battle of Tours" in §113.27(d)(8)(G).

Response. As a result of public comment, "the" was deleted from §113.27(d)(8)(G) at adoption.

Comment. One parent recommended that either §113.27(d)(7)(B) or (C) be removed.

Response. As a result of public comment, §113.27(d)(7)(C) was deleted at adoption.

Comment. One parent asked why Canadian landforms were not included in §113.28(d)(3)(B).

Response. The SBOE disagrees with the commenter's proposal to revise §113.28(d)(3)(B) to include Canadian landforms. Pursuant to TEC, §28.002, which authorizes the SBOE to adopt grade-level essential knowledge and skills, the SBOE determined, based on feedback from numerous experts, educators, and stakeholder groups, that the standard establishes age-appropriate content while leaving instructional methods and supporting examples to local educators and school districts.

Comment. One administrator stated that World History adds additional thematic strands to an already full survey course and that United States History now contains more discrete content than many college-level survey frameworks, including AP United States History.

Response. As a result of public comment, the SBOE took action to adopt the proposed new social studies TEKS, as amended, with consideration for the pacing, reorganization, and clarification of social studies standards based on feedback from numerous experts, educators, and stakeholder groups. The SBOE considered the amount of content adopted compared to the amount of available instructional time in all grade levels and courses. The social studies TEKS adopted by the SBOE represent a reduction in the number of standard breakouts and course content when compared to the current standards.

Comment. Two teachers and one administrator recommended moving §113.28(d)(8)(B) and creating new paragraph (2)(J) in the introduction.

Response. As a result of public comment, §113.28(d)(8)(B) was deleted at adoption.

Comment. Two teachers and one administrator noted that they did not understand §113.28(d)(12)(A).

Response. As a result of public comment, the SBOE amended §113.28(d)(12)(A) at adoption to read, "explain how cultural convergence was influenced by innovations, including communication technology and the blending of African, European, and indigenous traditions among Afro-Caribbean populations and the Catholic faith (Geo/C, E)."

Comment. Two teachers and one administrator noted that in §113.28(d)(12)(C), "including" should be changed to "such as" to give teacher choice.

Response. As a result of public comment, §113.28(d)(12)(C) was deleted at adoption.

Comment. Two teachers and one administrator noted that in §113.28(d)(14)(C), "including" should be changed to "such as."

Response. The SBOE disagrees with the commenter's proposal to amend §113.28(d)(14)(C) by changing "including" to "such as" based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing terminology appropriately conveys the intended historical concept and is necessary to achieve the instructional outcomes for the course.

Comment. Two teachers and one administrator asked why haboobs were included in §113.28(d)(17)(A).

Response. The SBOE disagrees with the commenter's proposal to amend §113.28(d)(17)(A) by removing "haboobs" based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing terminology appropriately conveys the intended historical concept and is necessary to achieve the instructional outcomes for the course based on feedback from numerous experts, educators, and stakeholder groups.

Comment. Two teachers and one administrator noted that in §113.28(d)(18)(C), Silk Roads should be moved to Asia.

Response. The SBOE disagrees with the commenters' proposal to amend §113.28(d)(18)(C) by moving "Silk Roads" to the Asia section based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing placement appropriately supports the organization and instructional outcomes of the course.

Comment. Two teachers and one administrator recommended using the term "cultural diffusion" instead of "cultural convergence" in §113.28(d)(20)(A).

Response. As a result of public comment, the SBOE amended §113.28(d)(20)(A) at adoption to read, "explain the influence of Judaism and Christianity within Southwest Asia, including the Jewish Diaspora and the spread of early Christian communities (H, Geo/C)."

Comment. Two teachers and one administrator noted that the USSR invasion of Afghanistan should be covered in World History in §113.28(d)(23)(D).

Response. As a result of public comment, the SBOE amended §113.28(d)(23)(C) at adoption to read, "explain the role of human geography in territorial conflicts, including the disputed territory of Kashmir (G/Civ, Geo/C)."

Comment. Two teachers and one administrator noted that in §113.28(d)(37)(A), fjord is misspelled.

Response. As a result of public comment, the SBOE amended §113.28(d)(37)(A) to correct the spelling of "Fjords."

Comment. One administrator stated specific instances of superficial content in the following standards: §§113.24(d)(4)(D) and

(F) and (11)(H); 113.25(d)(13)(D); 113.27(d)(7)(A), (8)(D), and (15)(A); and 113.29(d)(41)(E).

Response. In response to public comment, §§113.24(d)(4)(D) and (F), 113.25(d)(13)(D), and 113.27(d)(7)(A) and (8)(D) were deleted at adoption. The SBOE amended §113.24(d)(11)(H) at adoption to read, "describe key advancements for African Americans after the Civil War, including community-building with Booker T. Washington, civic participation with the National Association for the Advancement of Colored People (NAACP), the expansion of economic opportunity through Black Wall Street, the entrepreneurial success of Madame C.J. Walker, and the Great Migration (G/Civ, E)."

Comment. One administrator stated the following instances of standards that are missing important context: §113.24(d)(5)(A), (6)(A), (11)(H), and (15)(G); and §113.27(d)(18)(D) and (23)(A).

Response. The SBOE disagrees with the commenters' assertion that the identified standards lack important context because, pursuant to TEC, §28.002(c), the SBOE is responsible for determining the essential knowledge and skills students should learn in the required curriculum. The SBOE adopted targeted revisions to §113.24(d)(11)(H) and §113.24(d)(15)(G) and removed §113.24(d)(6)(A) where changes were determined to be warranted. The SBOE further determined that the remaining cited standards appropriately reflect the scope and intent of the course and should be retained as written based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One administrator suggested adding the years 8000 BC to 500 BC in §113.27(d)(1).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(1) to add years based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One administrator suggested adding the years 1500 BCE to 550 AD in §113.27(d)(6).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(6) to add years. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator suggested adding the years 1540 to 1800 in §113.27(d)(13).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(13) to add years. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator suggested adding the years 1200 to 1500 in §113.27(d)(15).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(15) to add years. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator suggested adding the years 1914 to 1920 in §113.27(d)(21).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(21) to add years. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator suggested adding the years 1919 to 1939 in §113.27(d)(22).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(22) to add years. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator suggested adding the years 1933 to 1945 in §113.27(d)(24).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(24) to add years. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope, the SBOE maintains that the existing standards provide sufficient coverage of key historical concepts, and the content is not necessary to achieve the intended instructional outcomes for the course.

Comment. One administrator stated that §113.27 should be renamed Western Civilization as most of the world has been removed.

Response. The SBOE disagrees with the commenters' proposal to rename §113.27. TEC, §28.002(a), identifies social studies as part of the required curriculum, and TEC, §28.002(c), requires the SBOE to adopt essential knowledge and skills that reflect the content of the course. As adopted, §113.27 includes the study of civilizations, cultures, and historical developments from multiple world regions, not solely Western civilization; therefore, renaming the course would not accurately reflect its scope and content.

Comment. One administrator stated that in §113.27, Europe gets 14 standards and India and China get 3.

Response. The SBOE disagrees with the commenters' assertion that §113.27 disproportionately emphasizes Europe because the course is designed to address major world civilizations, regions, and historical developments that have shaped the modern world. Under TEC, §28.002(c), the SBOE is required to adopt essential knowledge and skills that reflect the content students should learn in the required curriculum. While the standards include

substantial study of European history and its influence on global events, they also require instruction on other world civilizations and regions, including China, India, the Middle East, Africa, and the Americas. The SBOE determined that the adopted standards provide an appropriate scope and sequence for a one-credit world history course.

Comment. One administrator stated that §113.27(d)(1)(D) should be moved to paragraph (1)(A).

Response. As a result of public comment, §113.27(d)(1)(D) was deleted at adoption.

Comment. One administrator stated that Ten Commandments should replace Decalogue in §113.27(d)(2)(A).

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(2)(A) by replacing "Decalogue" with "Ten Commandments" based on TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing terminology appropriately conveys the intended historical concept and is necessary to achieve the instructional outcomes for the course.

Comment. One administrator recommended that §113.27(d)(3)(D) be amended to remove Alexander and give him his own standard.

Response. The SBOE disagrees with the commenter's proposal to amend §113.27(d)(3)(D) to remove Alexander and add another standard. Pursuant to TEC, §28.002, which authorizes the SBOE to establish essential knowledge and skills that are age appropriate and balanced in scope. The SBOE maintains that the existing standards provide sufficient coverage of key historical concepts and that an additional standard is not necessary to achieve the intended instructional outcomes for the course. This action was based on feedback from numerous experts, educators, and stakeholder groups.

Comment. One administrator recommended combining §113.27(d)(3)(H) with paragraph (3)(B).

Response. In response to public comment, §113.27(d)(3)(B) was deleted at adoption and paragraph (3)(G) was amended at adoption to read, "contrast democratic processes in Athens and Sparta, including the influence of democratic processes on the development of Western political thought (H, G/Civ, Geo/C, S)."

Comment. One administrator recommended deleting §113.27(d)(4)(E), as Washington is covered in paragraph (4)(C).

Response. The SBOE disagrees with the commenter's recommendation to delete §113.27(d)(4)(E) based on TEC, §28.002(c), which requires the SBOE to identify the essential knowledge and skills for each subject in the required curriculum. The SBOE maintains that §113.27(d)(4)(E) addresses content distinct from §113.27(d)(4)(C) and should be retained to ensure students demonstrate the full range of knowledge and skills intended by the standards.

Comment. One administrator commented in opposition to §113.27(d)(8)(F).

Response. The SBOE disagrees with the commenter's recommendation to remove §113.27(d)(8)(F) because TEC, §28.002(c), requires the SBOE to identify the essential knowledge and skills students should demonstrate in the required curriculum. The SBOE determined that the knowledge and skill described in §113.27(d)(8)(F) contributes to the scope and sequence of the course and should be retained as part of the essential content for World History Studies.

Comment. One administrator stated that §113.27(d)(9)(D) seems out of place.

Response. As a result of public comment, §113.27(d)(9)(D) was deleted at adoption.

Comment. One administrator recommended expanding §113.27(d)(11) to include the Delhi Sultanate and Mughal Empire's administrative and cultural achievements beyond the Taj Mahal; the Song Dynasty's economic and technological innovations; and the Silk Road as a conduit for not just goods but ideas, diseases, and technologies. The commenter suggested the board consider whether the current European medieval standards can be consolidated to create space.

Response. As a result of public comment, the SBOE took action to amend §113.27(d)(11)(A), delete paragraph (11)(B), and add new paragraph (11)(C) focused on the Silk Road and Marco Polo's influence on trade. The SBOE took action to improve the content and organization of the knowledge and skill while maintaining alignment with its statutory responsibility under TEC, §28.002(c), to adopt the essential knowledge and skills for the required curriculum.

Comment. One administrator recommended removing Great Peasants War and French Wars of Religion from §113.27(d)(12)(E).

Response. As a result of public comment, §113.27(d)(12)(E) was amended at adoption to read, "describe how the conflict between Protestants and Catholics weakened the influence of the Catholic Church, including The French Wars of Religion and the Thirty Years War (H, G/Civ, Geo/C. E, S)."

Comment. One administrator recommended combining §113.27(d)(20)(D) and (E).

Response. As a result of public comment, §113.27(d)(20)(D) and (E) were deleted at adoption.

Comment. One teacher stated concern about revisions proposed by the Texas Public Policy Foundation. The commenter noted that United States History end-of-course performance is routinely among the highest and questioned why broad changes are being proposed that do not align with established historical practices. The commenter explained that making significant revisions despite strong outcomes may be unnecessary and could disrupt effective instruction. The commenter requested reconsideration of these changes to ensure alignment with successful current practices and to avoid unintended negative impacts on student learning.

Response. The SBOE disagrees with the commenter's recommendation to reconsider the proposed revisions because TEC, §28.002(c), charges the SBOE with adopting and updating the essential knowledge and skills for the required curriculum. The SBOE determined that the adopted revisions appropriately reflect the knowledge and skills students are expected to learn and should be retained based on feedback from numerous experts, educators, and stakeholder groups.

STATUTORY AUTHORITY. The new sections are adopted under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and

skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(h-3), as added by House Bill (HB) 824, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to adopt essential knowledge and skills for the government component of the social studies curriculum that address specific topics to develop each student's civic knowledge; TEC, §28.002(h-11), as added by Senate Bill 24, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to adopt TEKS for Grades 4-12 social studies, as appropriate, that develop each student's understanding of communist regimes and ideologies; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-24), as added by HB 27, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to allow a student to comply with the curriculum requirement for a one-half credit in personal financial literacy by successfully completing an advanced placement course designated by the SBOE as containing substantively similar and rigorous academic content.

CROSS REFERENCE TO STATUTE. The new sections implement Texas Education Code, §§7.102(c)(4); 28.002(a); (c); (h-3), as added by House Bill (HB) 824, 89th Texas Legislature, Regular Session, 2025; and (h-11) as added by Senate Bill 24, 89th Texas Legislature, Regular Session, 2025; and 28.025(a); and (b-24), as added by HB 27, 89th Texas Legislature, Regular Session, 2025.

§113.27. World History Studies (One Credit), Adopted 2026.

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2033-2034 school year.

(b) General requirements. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Rooted in the Western tradition and reflected in core American values, the belief in the dignity, worth, and natural rights of each individual has inspired movements for freedom and self-government, standing in enduring contrast to totalitarian systems that place the power of the state above the liberty of the person. This course consists of a high-level overview of world history with a special emphasis on the western and American tradition often highlighting contrasting ideals and their impacts across time and place.

(2) The primary purpose of Texas and American social studies is to educate students to become responsible, self-governing citizens who respect the rights of their fellow citizens and who cherish liberties and laws. Over the course of multiple grades:

(A) students understand how to preserve liberty as citizens who value the idea of civic virtue under the Constitution;

(B) students understand that a constitutional republic is a representative form of government whose elected leaders derive their authority from the consent of the governed and are sworn to uphold the Constitution. Students also understand that the United States was formed as a federal republic, a union of sovereign states, with a general government formed for limited purposes; and

(C) students understand the benefits of the United States free enterprise system, also referred to as capitalism or the free market system. This system, predicated on limited government and strong property rights, emphasizes the individual exercise of economic decisions without government interference, allowing people the opportunity to prosper.

(3) Student expectations are organized around key topics, identified as knowledge and skills statements. Within each key topic, expectations address concepts as they relate to these topics chronologically. Where key topics are thematic rather than chronological, incorporate these thematic concepts into stories and history to create schema for understanding.

(4) Student expectations within each knowledge and skills key topic address the statutory requirements listed in paragraph (6) of this subsection while also making continual connections across those key topics and grade levels. Student expectations are organized chronologically through recurring strands coded at the end of each student expectation. Strands include:

(A) History (World, United States, and Texas), coded with H;

(B) Government and Civics, coded with G/Civ;

(C) Geography and Culture, coded with Geo/C;

(D) Economics, coded with E; and

(E) Social Studies Skills, based on disciplinary thinking skills, coded with S.

(5) Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions. Where appropriate, skills should include:

(A) formulate compelling and supporting questions to frame historical inquiry about significant events, individuals, and developments in World History (H, S);

(B) analyze primary and secondary sources by applying sourcing skills, including identifying the author's purpose, audience, historical situation, and point of view (H, S);

(C) contextualize primary and secondary sources by explaining the broader historical circumstances in which they were created and how those circumstances shaped their content (H, S);

(D) corroborate evidence across multiple primary and secondary sources to evaluate agreements, contradictions, and gaps in the historical record (H, S);

(E) evaluate the credibility, reliability, and limitations of primary and secondary sources, including digital sources, using criteria such as corroboration, authorship, and historical context (H, S);

(F) construct a written historical argument that states a defensible claim, supports it with evidence from multiple sources, and uses reasoning to connect evidence to the claim (H, G/Civ, S);

(G) interpret maps, charts, graphs, political cartoons, photographs, and other visual sources to draw and support historical conclusions (H, Geo/C, S);

(H) analyze cause-and-effect relationships among historical events, distinguishing between immediate causes and long-term contributing factors and evaluating the relative significance of each (H, S);

(I) analyze change and continuity over time by identifying patterns, turning points, and long-term consequences in World History (H, S);

(J) apply chronological reasoning, including sequencing, periodization, and use of timelines, to understand the development of World History (H, S); and

(K) engage in civil discourse about social studies topics, including those with multiple perspectives (G/Civ, S).

(6) Student expectations embed relevant statutory requirements, including:

(A) Texas Education Code (TEC), §28.002(a)(1)(D)--Social Studies, consisting of Texas, United States, and world history; government; economics, with emphasis on the free enterprise system and its benefits; and geography;

(B) TEC, §28.002(a)(2)(G)--Religious Literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature;

(C) TEC, §28.002(h)--Informed American Patriotism, Texas History, and the Free Enterprise System;

(D) TEC, §28.002(h-1)(1)-(3), (h-2)(1)-(3), and (h-3)--Knowledge of Civics;

(E) TEC, §28.002(h-1)(4)--Founding documents and primary sources of the United States;

(F) TEC, §28.002(h-11) and (h-12)--Understanding of Communist Regimes and Ideologies (for Grades 4 and higher);

(G) TEC, §28.0022--Certain instructional requirements and prohibitions;

(H) TEC, §29.907--Celebrate Freedom Week;

(I) TEC, §29.9071--Texas Military Heroes Day; and

(J) TEC, §29.9072--Holocaust Remembrance Week.

(7) There is no effective study of social studies without review of primary sources. In certain circumstances, specific primary sources are named in the Texas Essential Knowledge and Skills (TEKS), but instructional materials should include additional primary sources relevant to subjects identified in the TEKS. Primary sources are embedded as appropriate within the context of the study of history. Additional primary source material, including written documents, visual sources, audio and audio-visual sources, oral sources, and artifacts are encouraged. Primary source material should be used where appropriate and must be used when identified in a student expectation. In early grades, before students have requisite reading skills to read directly from copies of primary sources, the primary source materials should be included as a visual aid.

(8) To support the teaching of essential knowledge and skills, the use of a variety of rich material is encouraged. Where appropriate, local topics should be included to create relevance. Motivating resources are available from museums, historical sites, presidential libraries, local and state civic offices, and preservation societies.

(9) The list of places, events, and people in this course curriculum is not considered exhaustive. Additional examples aligned with statutes listed in paragraph (6) of this subsection can be incorporated as time permits. Statements that contain the word "including" reference content that must be mastered.

(d) Knowledge and skills.

(1) Origins and Civilizations. The student understands the origins of humanity and the history of ancient civilizations. The student is expected to:

(A) describe how the development of agriculture during the Neolithic Revolution led to permanent settlements (H, Geo/C, E); and

(B) compare major characteristics of River Valley civilizations in Mesopotamia, Egypt, and the Indus Valley, including settlement patterns and farming (Geo/C).

(2) Classical World and Foundational Ideas. The student understands roots of Western civilization in ancient Israel. The student is expected to:

(A) describe the historical development of ancient Israel, including the roots of Judaism, enslavement in Egypt and the Exodus story, the Decalogue, and the establishment of the kingdoms of Israel and Judah (H, G/Civ, Geo/C, E); and

(B) identify the contributions of ancient Hebrews, including monotheism and moral and ethical teachings found in the Torah, which influenced the development of Western civilizations and the United States (H, G/Civ, Geo/C).

(3) Classical World and Foundational Ideas. The student understands roots of Western civilization in ancient Greece. The student is expected to:

(A) explain how the physical geography of Greece influenced the development of Greek civilizations, including the Greek city-states (H, G/Civ, Geo/C, E);

(B) describe the establishment of the Athenian empire as a result of the Persian War (H);

(C) explain how the Battles of Marathon and Thermopylae demonstrated Greek resistance to invasion during the Persian War (H, G/Civ);

(D) describe how the Peloponnesian War led to the downfall of the Athenian empire (H);

(E) explain how Alexander the Great's conquest spread Hellenistic culture, including language (H);

(F) describe important contributions of Greek scholars, including Socrates, Hippocrates, Pythagoras, and Herodotus, to Western civilizations and the United States and identify contributions of art and architecture, including the Parthenon (H, G/Civ, Geo/C, S); and

(G) contrast democratic processes in Athens and Sparta, including the influence of democratic processes on the development of Western political thought (H, G/Civ, Geo/C, S).

(4) Classical World and Foundational Ideas. The student understands roots of Western civilization in ancient Rome. The student is expected to:

(A) describe the development of the Roman Empire, including the overthrow of the monarchs and the rise of the republic (H, G/Civ, Geo/C, E, S);

(B) explain the course of the Roman Empire, including the Punic Wars, civil wars, and Imperial Rome (H, G/Civ, Geo/C, E, S);

(C) identify the contributions of the Romans, including Roman law, architecture, and transmission of Greek culture and arts along the Roman Road system, to Western civilizations and the United States (G/Civ, Geo/C);

(D) describe how the Roman Empire led to the Jewish Diaspora, including the destruction of Jerusalem, the destruction of the Second Temple, and the forced migration and scattering of Jewish communities across the Mediterranean region (H, Geo/C);

(E) explain the idea of self-governance found in ancient Roman texts, including the inspiration of Cincinnatus to George Washington, the structure of a republican government, and the influence of Cicero on the American founders (H, S); and

(F) analyze the probable causes for the fall of the Roman Empire, including rampant inflation and moral decay (H, G/Civ, Geo/C).

(5) Classical World and Foundational Ideas. The student understands roots of Western civilization in Christianity. The student is expected to:

(A) describe the origins and early spread of Christianity, including the life and teachings of Jesus, roots in Judaism, the role of apostles in the Roman Empire, and moral teachings from the Old and New Testaments that influenced Western civilization (H, Geo/C);

(B) describe the persecution of Christians in the Roman Empire beginning with Nero and explain the effect of the legalization of Christianity by Emperor Constantine, including The Edict of Milan and The Nicene Creed (H, G/Civ, Geo/C, S); and

(C) identify the contributions of Christianity to Western civilization and early America, including the universality of human dignity that resulted from Christianization of the Roman Empire (H, G/Civ, Geo/C, E, S).

(6) Classical World and Foundational Ideas. The student understands ancient Indian civilization. The student is expected to:

(A) identify central religious texts of Hinduism (Geo/C); and

(B) describe significant beliefs of Buddhism, including the Four Noble Truths and the Eightfold Path (Geo/C).

(7) Classical World and Foundational Ideas. The student understands ancient Chinese civilization. The student is expected to describe important developments of Chinese dynasties, including the conquest of southern China during the Qin dynasty, the spread of Buddhism along the Silk Road and paper during the Han dynasty, and porcelain and gunpowder during the Tang dynasty (Geo/C, S).

(8) Faith, Empires, and Medieval Transformations. The student understands the Early Middle Ages from 476-1000. The student is expected to:

(A) explain how the contributions of the Byzantine Empire influenced later developments in Western civilization, including the preservation of ancient Greek and Roman texts, The Code of Justinian, and Hagia Sophia (H, G/Civ, Geo/C);

(B) describe the influence of Christianity in medieval society, including monasticism, missionary activity, hospitals, and orphanages (H, Geo/C);

(C) describe developments in the Latin West, including Christian and Islamic conflicts, the rise of the Holy Roman Empire, Anglo-Saxon England, and the Viking Era (H, G/Civ, Geo/C, E);

(D) explain early Islam in terms of Mohammed, the prophet of Islam's, brutal military campaigns against Jewish and Christian tribes, the normalization and regulation of slavery, and the taking of female captives as harem slaves (Geo/C);

(E) describe the teachings of jihad and how these teachings led to the expansion of Islam and the conquest of Christian lands, including Jerusalem, Syria, and Egypt (H, G/Civ, Geo/C, E);

(F) explain the practice of slavery, the origin of the word "slave" from Viking enslavement of the Slavs, and the enslavement and slave trade carried out by Viking and Muslim raiders (H, G/Civ, Geo/C, E); and

(G) explain the interactions of Islam with Europe in the Middle Ages, including the Battle of Tours (H, S).

(9) Faith, Empires, and Medieval Transformations. The student understands the High Middle Ages from 1000-1300. The student is expected to:

(A) describe the political changes in Medieval Europe, including the rise of feudalism, knights, and the Norman Conquest (H, G/Civ, Geo/C, E);

(B) describe conflicts involving Europe, including Christian efforts to reclaim lands conquered by Muslim powers through the Christians' Crusades and The Reconquista (H); and

(C) explain intellectual developments of Western civilization, including The Great Schism of 1054, canon law, and the creation of universities (H, G/Civ, Geo/C).

(10) Faith, Empires, and Medieval Transformations. The student understands the Late Middle Ages from 1300-1450. The student is expected to:

(A) explain the significance of developments in medieval English legal history, including common law, Parliament, habeas corpus, and private property rights, in the development of constitutional government (H, G/Civ, S);

(B) describe the effects of the Black Death and the medieval military revolution (H, G/Civ, Geo/C, E, S);

(C) describe the effects of the medieval military revolution on the decline of feudalism and the rise of centralized monarchies (H, G/Civ, Geo/C, E, S);

(D) explain the factors that resulted in the decline of Byzantium between the 14th and 15th centuries, including the rise of the Ottoman Empire and Islamic slave trade and the capture of Constantinople resulting in the conversion of the Hagia Sophia in 1453 (H, G/Civ, Geo/C, E); and

(E) analyze the influence of the Magna Carta on Western civilization, including individual rights (H, G/Civ, Geo/C, S).

(11) Faith, Empires, and Medieval Transformations. The student understands Indian and Chinese civilizations from 1000-1700. The student is expected to:

(A) describe key aspects of Indian history, including the centralized power and absolute monarchical rule of the Mughal Empire, the role of the caste system, and the building of the Taj Mahal (H, G/Civ, Geo/C);

(B) describe how the Mongol Conquest unified China through conquering rival kingdoms and expanding trade (H, G/Civ, Geo/C, E); and

(C) describe the expansion of the Silk Road, including Marco Polo's influence on expanded trade between Europe and Asia (H, Geo/C, E).

(12) Renaissance to Global Interaction. The student understands the influence of the Renaissance on Western civilization. The student is expected to:

(A) identify characteristics in the development of the Renaissance through the arts, architecture, and The Gutenberg Press and explain how these developments led to the expansion of knowledge (H, Geo/C);

(B) describe the Renaissance as a restoration of classical Greek and Roman ideas of learning and art (H, G/Civ, Geo/C);

(C) explain that the Renaissance focused on the value of the individual and that this core characteristic influenced American founders' ideas about rights and government (H, G/Civ, Geo/C);

(D) identify the origins of the Protestant Reformation, including the 95 Theses, and effects of the Protestant Reformation, including the Catholic Counter Reformation (H, Geo/C, S);

(E) describe how the conflict between Protestants and Catholics weakened the influence of the Catholic Church, including The French Wars of Religion and the Thirty Years War (H, G/Civ, Geo/C, E, S); and

(F) identify Renaissance elements in art, including The Duomo, The Mona Lisa, The Last Supper, The Pieta, and The School of Athens (H, G/Civ, Geo/C, E, S).

(13) Renaissance to Global Interaction. The student understands the Scientific Revolution and Enlightenment. The student is expected to:

(A) describe innovations of the Scientific Revolution, including the heliocentric model, laws of motion and gravitation, the scientific method, and calculus (H, Geo/C); and

(B) explain key philosophies of the Enlightenment, including primacy of reason over superstition and natural rights, and describe the influence of the Enlightenment on American political thoughts (H, G/Civ, Geo/C, E).

(14) Renaissance to Global Interaction. The student understands political developments in Europe from 1500-1800. The student is expected to:

(A) describe how European monarchs strengthened national governments by increasing royal power, collecting taxes, creating national armies, and unifying kingdoms, including England, France, and Spain (H, G/Civ, Geo/C, E);

(B) compare the rise of the Russian Empire to other European monarchies, including Westernization (H, G/Civ, Geo/C, E); and

(C) describe the rise of English liberty, including the conflict between the monarchy and Parliament leading to the English Civil War, the progression of political change through the Glorious Revolution, and the establishment of rights in the English Bill of Rights (H, G/Civ, Geo/C, S).

(15) American Civilizations and European Conflicts. The student understands pre-Columbian civilizations and empires in the Americas. The student is expected to:

(A) identify key features of pre-Columbian civilizations, including Aztec tribute systems and human sacrifice, Incan road networks and agricultural terracing, and Taíno village life and trade in the Caribbean (H, G/Civ, Geo/C, E, S); and

(B) analyze the effect of geography on pre-Columbian civilizations, including agriculture and settlement patterns (H, Geo/C, E, S).

(16) American Civilizations and European Conflicts. The student understands European expansion from 1500-1800. The student is expected to:

(A) compare the motivations of European exploration of the Americas by Spain, England, France, and Portugal (H, G/Civ, Geo/C, E);

(B) locate and describe European expansion in the Americas, including the North American colonies (Geo/C, E, S);

(C) compare the effects of European expansion of empires in the Americas, including imperial competition over land and resources, conflicts and cooperation with native peoples, and mixing of cultures (H, G/Civ, Geo/C, E, S);

(D) describe how slavery emerged and expanded as a global institution through warfare, raids, and regional slave trading networks in Africa, the Mediterranean world, and the Americas, including the role of the Barbary slave trade and the Atlantic slave trade (H, G/Civ, Geo/C, E);

(E) explain how William Wilberforce's belief in the inherent dignity and rights of all people based on his Christian faith motivated his efforts to abolish the British slave trade and influenced movements to end slavery around the world (H, G/Civ); and

(F) describe indentured servitude and slavery as practiced in the Americas by American Indians and Europeans (H, G/Civ, Geo/C, E).

(17) Revolution, Industry, Empire, and the Rise of Liberty. The student understands revolution, industry, empire, and the rise of liberty. The student is expected to:

(A) explain how the ideals of the Enlightenment influenced American Independence, the French Revolution, and Latin American independence movements (H, G/Civ, Geo/C, E, S);

(B) describe the political instability during the French Revolution, including the storming of the Bastille, the dissolution of the Catholic Church, and the execution of Louis XVI (H, G/Civ, Geo/C, E);

(C) explain how the universality of natural rights expressed in the Declaration of Independence contrasted with the French Revolution's periods of disregard for the rights and dignity of the individual, including political violence during the Reign of Terror and the authoritarian rise of Napoleon (H, G/Civ, E, S); and

(D) explain the effects of the Napoleonic Wars on the Americas, including the encouragement of independence movements in Haiti and Mexico and territorial expansion of the United States through the Louisiana Purchase (H, G/Civ, Geo/C, E).

(18) Revolution, Industry, Empire, and the Rise of Liberty. The student understands the Industrial Revolution and social, economic, and political change from 1800-1914. The student is expected to:

(A) explain the development of the Industrial Revolution, including factories, new energy sources, urbanization, and the growth of the United States as a melting pot in which people from diverse backgrounds contributed to a shared American society (H, G/Civ, Geo/C, E);

(B) explain free enterprise ideals, including division of labor, the Invisible Hand, and self-interest, which influenced the Industrial Revolution as noted by Adam Smith in "An Inquiry into the Nature and Causes of the Wealth of Nations" (H, G/Civ, Geo/C, E, S);

(C) explain the foundation of communist and socialist ideology in The Communist Manifesto, including class struggle, the bourgeois and the proletariat, the abolition of private property, and socialism as a transitional stage toward communism (H, G/Civ, Geo/C, E, S); and

(D) compare the ideology of communism to the United States's founding principles of individual rights, merit-based advancement, and free enterprise (G/Civ, Geo/C, E, S).

(19) Revolution, Industry, Empire, and the Rise of Liberty. The student understands changing political and cultural characteristics of 19th-century Europe. The student is expected to:

(A) describe how Enlightenment ideas led to political changes in 19th-century England, including suffrage reform and John Locke's ideas about democratization (H, G/Civ, Geo/C, S);

(B) describe 19th-century France, including cycles between empire and republics (H, G/Civ, S);

(C) explain how nationalism and the unifications of Italy and Germany led to a power shift in Europe (H, G/Civ, Geo/C);

(D) explain the causes, including the need to modernize due to military weakness and economic backwardness compared to Western Europe, and consequences, including serf emancipation in 1861 and the growth of revolutionary movements, of Russia's partially successful 19th-century reforms (H, G/Civ, Geo/C, E); and

(E) explain how nationalism, Romanticism, secularism, and the Catholic response to Liberalism shaped European society (H, G/Civ, Geo/C, S).

(20) Revolution, Industry, Empire, and the Rise of Liberty. The student understands European imperial expansion. The student is expected to:

(A) describe political instability in Latin America following independence movements due to the lack of a common political vision (H, G/Civ, Geo/C, E);

(B) describe the influence of British imperialism on India, including transportation and government infrastructure (H, G/Civ, Geo/C, E); and

(C) explain how competition among European nations led to the Berlin Conference, increased imperial expansion in Africa, and Spheres of Influence in Asia (H, G/Civ, Geo/C, E).

(21) World Wars and Global Crisis. The student understands World War I (WWI). The student is expected to:

(A) explain the causes of WWI, including imperial competition, alliances, nationalism, and militarism (H, G/Civ, E, S);

(B) explain how trench warfare on the Western Front during WWI led to prolonged stalemate, high casualties, and innovations in military technology and battlefield trauma care (H, G/Civ, Geo/C, E, S);

(C) explain political results of WWI, including the Treaty of Versailles and the Sykes-Picot Agreement, and identify the importance of Remembrance days in honoring military heroes (H, G/Civ, Geo/C, E, S);

(D) explain how poverty, war, and food shortages led to the Russian Revolution, including the Bolshevik elimination of the monarchy (H, G/Civ, Geo/C, E); and

(E) use maps to explain territorial changes in Europe, the Middle East, and Africa caused by WWI (H, G/Civ, Geo/C, S).

(22) World Wars and Global Crisis. The student understands the interwar global crisis in Western Europe. The student is expected to:

(A) describe the creation of the League of Nations at the close of WWI and explain its ineffectiveness in addressing the encroachments of Italy, Germany, and Japan due to lack of enforcement authority, which contributed to World War II (WWII) (H, G/Civ, Geo/C);

(B) compare the global depression of the 1930s in the United States and Germany, including how economic hardship led to the New Deal in the United States while instability stemming from WWI led to the rise of the Nazis (National Socialist German Workers Party) in Germany (H, G/Civ, Geo/C, E, S);

(C) compare the rise of authoritarianism and totalitarianism, including communism in the Soviet Union and Nazism in Europe (H, G/Civ, Geo/C, E, S);

(D) describe actions of the Soviet Union through 1945, including collectivization, the Holodomor, and Stalin's Great Terror (H, G/Civ, Geo/C, E);

(E) describe how communism used propaganda, public shaming, censorship, and forced conformity to maintain control (H, G/Civ, Geo/C, E, S); and

(F) describe how the Nazi (National Socialist German Workers Party) regime used propaganda, censorship, the Nuremberg Laws, and dehumanization to persecute Jews and facilitate the Holocaust (H, G/Civ, Geo/C, E, S).

(23) World Wars and Global Crisis. The student understands India and China from 1900-1945. The student is expected to:

(A) describe characteristics of Indian nationalism, including the Congress Party and All-India Muslim League (H, G/Civ, Geo/C); and

(B) explain how the conflict in China between Nationalists and the Chinese Communist Party led to the establishment of communism under Mao (H, G/Civ, Geo/C, E).

(24) World Wars and Global Crisis. The student understands WWII. The student is expected to:

(A) explain the causes of WWII, including unresolved issues from the Treaty of Versailles, the rise of totalitarian regimes, economic depression, and Pearl Harbor as the specific cause for the U.S. entry into the war (H, G/Civ, Geo/C, E);

(B) identify key events, including the invasion of Poland, D-Day, and the dropping of the atomic bomb on Hiroshima and Nagasaki, and describe innovations, including radar and blood banks, during WWII (H, G/Civ, Geo/C);

(C) define the Holocaust as the systemic, bureaucratic, and state-sponsored persecution and murder of six million Jews by the Nazi (National Socialist German Workers Party) regime and its collaborators (H, G/Civ, Geo/C);

(D) explain the main causes of the Holocaust, including antisemitism (H); and

(E) identify the consequences of the Holocaust, including demographic and cultural shifts and the creation of the term "genocide" (H).

(25) The Cold War, Decolonization, and Global Institutions. The student understands Europe from 1945-1991. The student is expected to:

(A) describe key events of the Cold War, including the Iron Curtain, the proxy wars, and competition for technological advancement (H, G/Civ, Geo/C);

(B) describe how containment led to the Truman Doctrine, the Marshall Plan, and the North Atlantic Treaty Organization (NATO) (H, G/Civ, Geo/C, E, S);

(C) describe the decay and final collapse of the Soviet empire, including the role of President Reagan's "Tear Down This Wall" speech, Lech WaÅ‚Ä™sa, and the Solidarity movement in challenging communist rule in Poland (H, G/Civ, Geo/C, E); and

(D) contrast the outcomes of the Soviet Cold War with the United States, including the continued strength of the American constitutional and free enterprise systems (H, G/Civ, Geo/C, E, S).

(26) The Cold War, Decolonization, and Global Institutions. The student understands world events and developments from 1945-1991. The student is expected to:

(A) explain the history of the Communist Regime in China, including the Communist Revolution in 1949, the Great Leap Forward, mass famine, the Cultural Revolution, and labor camps (H, G/Civ, Geo/C, E);

(B) explain how the relationship between postwar Japan and the United States led to rapid technological and economic growth in Japan (H, G/Civ, Geo/C, E);

(C) describe major events of the Korean Conflict, including the North Korean invasion of South Korea, the Battle of Inchon, and Chinese intervention (H);

(D) explain the outcomes of the signing of the Korean Armistice Agreement, including the establishment and continued maintenance of the Demilitarized Zone (DMZ), the division of Korea into North and South Korea, and continued tensions on the Korean Peninsula (H, G/Civ, Geo/C);

(E) explain the history of India and Pakistan, including the end of British rule, the Partition of India, and the Islamization of Pakistan (H, G/Civ, Geo/C, E);

(F) identify 1948 as the year the modern state of Israel was established in the ancestral homeland of the Jews and U.S. President Truman became the first world leader to formally recognize Israel (H, G/Civ);

(G) explain the rise of communism through guerrilla warfare in Latin America, including Cuba and Nicaragua (H, G/Civ, Geo/C, E);

(H) explain communism in Southeast Asia and its consequences, including the fall of Saigon and the Khmer Rouge in Cambodia (H, G/Civ, Geo/C, E); and

(I) explain the political developments in Africa, including the effects of decolonization, the rise of communism, and the leadership of Nelson Mandela in the era of apartheid in South Africa (H, G/Civ, Geo/C, E).

(27) Terrorism and Globalization. The student understands world history since the fall of the Soviet Union to 2016. The student is expected to:

(A) identify the rise of world powers after the fall of the Soviet Union, including People's Republic of China and the Russian Federation, and their competition with the United States (H, G/Civ, Geo/C, E);

(B) describe documented human rights abuses under communist governments, including labor camps in North Korea and government surveillance and restrictions of individual liberties in China (H, G/Civ, Geo/C);

(C) explain developments in Eurasia since 1989, including the Tiananmen Square Massacre and Russia's post-Soviet centralization of authority, that reshaped the global balance of power (H, G/Civ, Geo/C, E);

(D) explain the rise of radical Islam, including the Muslim Brotherhood, terrorism, Al Qaeda, September 11, 2001, and Islamic State of Iraq and Syria (ISIS) (H, G/Civ, Geo/C);

(E) explain America's response to the September 11, 2001 terrorist attack, including the wars in Iraq and Afghanistan (H, G/Civ, Geo/C, S); and

(F) analyze how the dissolution of the Union of Soviet Socialist Republics (USSR) in 1991 accelerated globalization by expanding market economies (H, G/Civ, Geo/C, E, S).

§113.28. World Geography Studies (One Credit), Adopted 2026.

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2033-2034 school year.

(b) General requirements. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) In World Geography Studies, students examine people, places, and environments at local, regional, national, and international scales from the spatial perspectives of geography. Students describe the influence of geography on events of the past and present. The course includes nine geographic regions that are examined through several thematic lenses such as the physical processes that shape patterns in the physical environment; the characteristics of major landforms and climates; population geography and human-environment interaction; the historical, political, economic, and cultural factors that shape regions; types and patterns of settlement; the distribution and movement of the world population; relationships among people, places, and environments; and the concept of region. Students analyze how location affects economic activities in different economic systems. Students identify the historical and geographic factors that influence boundaries and organization of governments. Students compare how components of culture shape the characteristics of regions and analyze the impact of technology and human modifications on the physical environment.

(A) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as contemporary and historic maps of various types, satellite-produced images, photographs, graphs, map sketches, and diagrams is encouraged.

(B) The course is structured around the application of two broadly applicable knowledge and skills statements that are applied to all regions, as appropriate. The first statement requires students to think like geographers by applying geographic tools and analytical skills to understand the world and interpret spatial patterns. The second statement builds on these skills by using geographic tools and reasoning to examine world regions through a comparative lens. Specific geographic content is embedded within the key topics for each of the nine regions.

(2) The primary purpose of Texas and American social studies is to educate students to become responsible, self-governing citizens who respect the rights of their fellow citizens and who cherish liberties and laws. Over the course of multiple grades:

(A) students understand how to preserve liberty as citizens who value the idea of civic virtue under the Constitution;

(B) students understand that a constitutional republic is a representative form of government whose elected leaders derive their authority from the consent of the governed and are sworn to uphold the Constitution. Students also understand that the United States was formed as a federal republic, a union of sovereign states, with a general government formed for limited purposes; and

(C) students understand the benefits of the United States free enterprise system, also referred to as capitalism or the free market system. This system, predicated on limited government and strong property rights, emphasizes the individual exercise of economic decisions without government interference, allowing people the opportunity to prosper.

(3) Student expectations are organized around key topics, identified as knowledge and skills statements. Within each key topic, expectations address concepts as they relate to these topics chronologically. Where key topics are thematic rather than chronological, incorporate these thematic concepts into stories and history to create schema for understanding.

(4) Student expectations within each knowledge and skills key topic address the statutory requirements listed in paragraph (6) of this subsection while also making continual connections across those key topics and grade levels. Student expectations are organized chronologically through recurring strands coded at the end of each student expectation. Strands include:

(A) History (World, United States, and Texas), coded with H;

(B) Government and Civics, coded with G/Civ;

(C) Geography and Culture, coded with Geo/C;

(D) Economics, coded with E; and

(E) Social Studies Skills, based on disciplinary thinking skills, coded with S.

(5) Social studies instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions. Where appropriate, skills should include:

(A) formulate geographic inquiry questions, including: Where is it located? Why is it there? What are its physical and human characteristics? How does it interact with other places? How has it changed over time? (Geo/C, S);

(B) apply spatial thinking to analyze how the location, distribution, and movement of people, places, and phenomena create patterns and relationships across Earth's surface (Geo/C, S);

(C) select and use appropriate geographic tools, including reference maps, thematic maps, Geographic Information Systems (GIS), satellite imagery, population pyramids, and demographic models, to collect, analyze, and interpret spatial data (Geo/C, S);

(D) evaluate geographic sources for perspective, purpose, and limitation, including analyzing how map projections, data selection, and cartographic choices affect information presented (Geo/C, S);

(E) explain spatial patterns of movement, including the diffusion of ideas, goods, and populations, by applying geographic concepts such as push-pull factors, cultural hearths, and global trade (H, Geo/C, E, S);

(F) construct a written geographic argument that states a defensible claim about a geography topic and uses geographic reasoning to connect evidence to the claim (Geo/C, S);

(G) apply the concept of scale, including local, regional, national, and global, to analyze how geographic phenomena and relationships operate differently at different levels and how changes at one scale affect others (G/Civ, Geo/C, E, S); and

(H) apply civil discourse to engage in meaningful and respectful communication about geographic issues and regional perspectives (G/Civ, Geo/C, S).

(6) Student expectations embed relevant statutory requirements, including:

(A) Texas Education Code (TEC), §28.002(a)(1)(D)--Social Studies, consisting of Texas, United States, and world history; government; economics, with emphasis on the free enterprise system and its benefits; and geography;

(B) TEC, §28.002(a)(2)(G)--Religious Literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature;

(C) TEC, §28.002(h)--Informed American Patriotism, Texas History, and the Free Enterprise System;

(D) TEC, §28.002(h-1)(1)-(3), (h-2)(1)-(3), and (h-3)--Knowledge of Civics;

(E) TEC, §28.002(h-1)(4)--Founding documents and primary sources of the United States;

(F) TEC, §28.002(h-11) and (h-12)--Understanding of Communist Regimes and Ideologies (for Grades 4 and higher);

(G) TEC, §28.0022--Certain instructional requirements and prohibitions;

(H) TEC, §29.907--Celebrate Freedom Week;

(I) TEC, §29.9071--Texas Military Heroes Day; and

(J) TEC, §29.9072--Holocaust Remembrance Week.

(7) There is no effective study of social studies without review of primary sources. In certain circumstances, specific primary sources are named in the Texas Essential Knowledge and Skills (TEKS), but instructional materials should include additional primary sources relevant to subjects identified in the TEKS. Primary sources are embedded as appropriate within the context of the study of history. Additional primary source material, including written documents, visual sources, audio and audio-visual sources, oral sources, and artifacts are encouraged. Primary source material should be used where appropriate and must be used when identified in a student expectation. In early grades, before students have requisite reading skills to read directly from copies of primary sources, the primary source materials should be included as a visual aid.

(8) To support the teaching of essential knowledge and skills, the use of a variety of rich material is encouraged. Where appropriate, local topics should be included to create relevance. Motivating resources are available from museums, historical sites, presidential libraries, local and state civic offices, and preservation societies.

(9) The list of places, events, and people in this course curriculum is not considered exhaustive. Additional examples aligned with statutes listed in paragraph (6) of this subsection can be incorporated as time permits. Statements that contain the word "including" reference content that must be mastered.

(d) Knowledge and skills.

(1) Major Themes in World Geography. The student applies geographic thinking skills to think like a geographer. The student is expected to:

(A) explain the historical development of geographic tools, including reference maps, thematic maps, and map projections (H, Geo/C);

(B) explain how reference and thematic maps represent geographic information (H, Geo/C); and

(C) explain the purposes of regionalization (Geo/C).

(2) Major Themes in World Geography. The student uses geographic thinking skills to compare regions. The student is expected to:

(A) analyze demographic data, including birth and death rates, fertility, life expectancy, and population density patterns, to describe population characteristics (Geo/C, S);

(B) analyze the relationship between access to reliable and affordable energy, including fossil fuels and intermittent, renewable energy sources to Gross Domestic Product (GDP), literacy rates, and other indicators of human flourishing (Geo/C, S); and

(C) describe central ideas of religions or philosophies, including Christianity, Judaism, Buddhism, Hinduism, Islam, Sikhism, Confucianism, and Daoism (Geo/C).

(3) United States and Canada, including Texas. The student understands the physical geography of the United States and Canada, including Texas. The student is expected to:

(A) describe how Earth-Sun relationships naturally influence weather conditions, including tornadoes in Tornado Alley and hurricanes along the Gulf of America and Atlantic Coasts (Geo/C); and

(B) identify major landforms, including the Rocky Mountains, Appalachian Mountains, Great Plains, Great Lakes, Rio Grande River, and Mississippi River (Geo/C).

(4) United States and Canada, including Texas. The student understands population geography of the United States and Canada, including Texas. The student is expected to:

(A) describe features, including coastlines, rivers, and highway systems, that influence the size and distribution of settlements (H, Geo/C); and

(B) analyze push-pull factors that affect human migration patterns, including the Texas oil boom, the Great Migration, and the Dust Bowl (H, Geo/C).

(5) United States and Canada, including Texas. The student understands the human-environment interaction of the United States and Canada, including Texas. The student is expected to:

(A) explain how human ingenuity has helped people adapt to the environment in the United States and Texas, including the Hoover Dam, air conditioning, and the Clean Air Act (G/Civ, Geo/C, E);

(B) explain how places plan for, mitigate, and respond to natural events using seawalls, including the Galveston seawall (H, G/Civ, E); and

(C) explain how places plan for, mitigate, and respond to natural events using the National Weather Service (H, G/Civ, E).

(6) United States and Canada, including Texas. The student understands the economic geography of the United States and Canada, including Texas. The student is expected to:

(A) evaluate the economic advantages and disadvantages of global trade, including outsourcing, free trade zones, and supply chains (G/Civ, E); and

(B) explain how climate, resources, infrastructure, and factors of production affect the spatial patterns of economic activities (Geo/C, E).

(7) United States and Canada, including Texas. The student understands the cultural geography of the United States and Canada, including Texas. The student is expected to explain cultural convergence, including shared Enlightenment ideals and the development of the United States and Texas as melting pots (Geo/C, E).

(8) United States and Canada, including Texas. The student understands the political geography of the United States and Canada, including Texas. The student is expected to:

(A) explain the role of boundaries, including the Rio Grande, the Great Lakes, Alaska, and state boundaries, in the spatial organization of states to maintain sovereignty and manage natural resources (Geo/C);

(B) explain how political power is distributed at various scales through systems of governance, including federalism in the United States (G/Civ); and

(C) memorize and locate on maps the fifty United States; Austin, the capital of Texas; and Washington, D.C., the capital of the United States (G/Civ, Geo/C).

(9) Latin America and the Caribbean. The student understands the physical geography and human environment interaction of Latin America and the Caribbean. The student is expected to:

(A) identify major landforms, including the Andes Mountains, the Amazon River Basin, and the Caribbean archipelago (Geo/C);

(B) explain how human ingenuity has helped people adapt to the environment in Latin America and the Caribbean, including chinampas, Incan terrace farming, rainforest conservation, and the Panama Canal (Geo/C, E); and

(C) describe how places in Latin America and the Caribbean plan for, mitigate, and respond to natural events, including flooding and earthquakes (H, G/Civ, E).

(10) Latin America and the Caribbean. The student understands the population geography of Latin America and the Caribbean. The student is expected to:

(A) explain how the Incan Road system and chinampas influenced patterns of human settlement in Latin America and the Caribbean (H, Geo/C); and

(B) analyze push-pull factors that affect internal human migration patterns in South America, including economic and safety conditions (G/Civ, E).

(11) Latin America and the Caribbean. The student understands the political geography of Latin America and the Caribbean. The student is expected to compare how political power is distributed in various countries, including Mexico and Cuba (G/Civ).

(12) Latin America and the Caribbean. The student understands the cultural geography of Latin America and the Caribbean. The student is expected to:

(A) identify the cultural characteristics that define Latin America and the Caribbean (Geo/C);

(B) explain how cultural convergence was influenced by innovations, including communication technology and the blending of African, European, and indigenous traditions among Afro-Caribbean populations and the Catholic faith (Geo/C, E); and

(C) explain cultural divergence within communities in Latin America, including the Nahuatl, Quechua, and Mayan (H, Geo/C).

(13) Africa. The student understands the physical geography and human environment interaction of Africa. The student is expected to:

(A) describe how Earth-Sun relationships naturally influence weather conditions in Africa, including wet and dry seasonality (Geo/C);

(B) identify major landforms, including the Congo River, the Sahel, the Kalahari Desert, Mount Kilimanjaro, the Sahara Desert, the Nile River, and the Great Rift Valley (Geo/C);

(C) explain how human ingenuity has helped people adapt to the environment in Africa, including qanats, irrigation systems, terrace farming, and wildlife conservation (G/Civ, Geo/C, E); and

(D) describe how places plan for, mitigate, and respond to natural events, including flooding and drought (H, G/Civ, E).

(14) Africa. The student understands the population geography of Africa. The student is expected to:

(A) describe factors that influence the size and distribution of settlements, including industrial development, European transportation infrastructure, and habitable land (H, G/Civ, Geo/C);

(B) analyze the causes and effects of voluntary migration in Africa, including economic opportunities (H, Geo/C); and

(C) analyze the causes and effects of forced migration in Africa, including the Rwandan Genocide and the conflict in the eastern Democratic Republic of the Congo (H, Geo/C).

(15) Africa. The student understands the economic and political geography of Africa. The student is expected to:

(A) analyze the economic and human effects of labor practices in Africa, including practices associated with Chinese-owned enterprises and child labor in the extraction of cobalt and other critical minerals (H, E); and

(B) compare how political power is distributed, including the federal system of Nigeria and the unitary system of Kenya, in African countries (H, G/Civ).

(16) Africa. The student understands the cultural geography of Africa. The student is expected to:

(A) explain cultural convergence in Africa, including Christianity in Ethiopia and the Swahili language (H, Geo/C);

(B) explain how cultural divergence was influenced by the Berlin Conference in Africa (H, Geo/C); and

(C) analyze visual sources to identify components of cultural landscape, including the pyramids of Giza (H, Geo/C).

(17) Southwest Asia. The student understands the physical geography and human environment interaction of Southwest Asia. The student is expected to:

(A) describe how Earth-Sun relationships naturally influence weather in Southwest Asia, including haboobs (Geo/C);

(B) identify major landforms, including the Red Sea, the Arabian Desert, and the Persian Gulf (Geo/C); and

(C) explain how human ingenuity has helped people adapt to the environment in Southwest Asia and the Middle East, including qanats, irrigation systems, desalination, terrace farming, and oasis agriculture (G/Civ, Geo/C, E).

(18) Southwest Asia. The student understands the population geography of Southwest Asia. The student is expected to:

(A) describe factors, including water availability and historical trade routes, that have influenced the size and distribution of settlements in Southwest Asia across time (H, G/Civ, Geo/C);

(B) analyze push-pull factors that affect human migration patterns, including economic opportunity and water availability (G/Civ, E); and

(C) explain how physical geography affects the flows of human migration, including the Silk Road (H, Geo/C).

(19) Southwest Asia. The student understands the economic and political geography of Southwest Asia. The student is expected to:

(A) classify economic activities in Southwest Asia, including oil extraction and refining, tourism, and trade through the Persian Gulf (E); and

(B) compare how political power is distributed in various Southwest Asian countries, including Saudi Arabia and Israel (G/Civ).

(20) Southwest Asia. The student understands the cultural geography of Southwest Asia. The student is expected to:

(A) explain the influence of Judaism and Christianity within Southwest Asia, including the Jewish Diaspora and the spread of early Christian communities (H, Geo/C);

(B) explain the origins and geographic diffusion of Judaism and Christianity, including the influence of the Hebrew Scriptures (Old Testament) and New Testament on law, government, literature, art, and cultural traditions (G/Civ, Geo/C);

(C) explain the cultural divergence in Southwest Asia, including Sunni and Shia religious traditions (H, Geo/C); and

(D) analyze visual sources to identify components of the cultural landscape, including religious architecture represented by the Hagia Sophia and the Dome of the Rock at the Temple Mount (H, Geo/C).

(21) Central and South Asia. The student understands the physical geography and human environment interaction of Central and South Asia. The student is expected to:

(A) describe how Earth-Sun relationships naturally influence weather, including monsoons in Central Asia and cyclones in South Asia (Geo/C);

(B) identify major landforms, including the Himalayas, the Caspian Sea, the Indus River, and the Ganges River (Geo/C); and

(C) describe how places in Central and South Asia plan for, mitigate, and respond to natural events, including earthquakes and monsoons, and explain how human ingenuity has helped people adapt to the environment in Central and South Asia, including terrace farming, stepwells, cyclone shelters, and mangrove restoration (G/Civ, Geo/C, E).

(22) Central and South Asia. The student understands the population geography of Central and South Asia. The student is expected to:

(A) explain how land and maritime activities influence settlement patterns in Central and South Asia (H, G/Civ, Geo/C);

(B) analyze the growth of megacities, including Delhi, Dhaka, Mumbai, and Karachi (H, G/Civ, Geo/C); and

(C) analyze push-pull factors of human migration patterns in Central and South Asia (G/Civ, E).

(23) Central and South Asia. The student understands the economic and political geography of Central and South Asia. The student is expected to:

(A) explain how economic activities in Central and South Asia, including pharmaceutical manufacturing, information technology, and outsourcing, connect the region to the global economy (E);

(B) explain the spatial organization of countries in Central and South Asia, including the international boundary between India and Pakistan (G/Civ, Geo/C); and

(C) explain the role of human geography in territorial conflicts, including the disputed territory of Kashmir (Geo/C).

(24) Central and South Asia. The student understands the cultural geography of Central and South Asia. The student is expected to:

(A) explain how cultural convergence in Central and South Asia was influenced by war, including religious syncretism (H, Geo/C);

(B) explain how cultural divergence was influenced by the caste system and religious composition in Central and South Asia (H, Geo/C); and

(C) analyze visual sources to identify components of cultural landscape, including terraced farming, the Taj Mahal, and Hindu temples (H, Geo/C).

(25) Southeast Asia and Oceania. The student understands the physical geography and human environment interaction of Southeast Asia and Oceania. The student is expected to:

(A) describe how Earth-Sun relationships in Southeast Asia or Oceania naturally influence weather conditions, including tropical storms and cyclones (Geo/C);

(B) identify major landforms, including the Malay Archipelago, Australian Outback, the Great Barrier Reef, and the Ring of Fire (Geo/C);

(C) explain how human ingenuity has helped people adapt to the environment in Oceania, including Aboriginal fire management, rainwater collection, and coral reef conservation (G/Civ, Geo/C, E); and

(D) describe the role of the Association of Southeast Asian Nations (ASEAN) and Pacific cooperations in planning for, mitigating, and responding to natural events (G/Civ, E).

(26) Southeast Asia and Oceania. The student understands the population geography of Southeast Asia and Oceania. The student is expected to explain how the topography influences the size and distribution of settlements and land use patterns, including terraced farming in Southeast Asia or Oceania (H, G/Civ, Geo/C).

(27) Southeast Asia and Oceania. The student understands the economic and political geography of Southeast Asia and Oceania. The student is expected to:

(A) identify the primary, secondary, tertiary, or quaternary economic activities of Southeast Asia or Oceania, including agriculture and tourism (E);

(B) analyze how political power is distributed in archipelagic states, including Indonesia and the Philippines (G/Civ, Geo/C); and

(C) describe causes and effects of modern genocides, including the Cambodian genocide under Pol Pot and the Khmer Rouge (H, G/Civ).

(28) Southeast Asia and Oceania. The student understands the cultural geography of Southeast Asia and Oceania. The student is expected to:

(A) explain how cultural convergence in Southeast Asia or Oceania was influenced by innovations, including maritime technologies and navigational techniques (H, Geo/C);

(B) explain how cultural divergence in Southeast Asia or Oceania was influenced by geographic isolation (H, Geo/C); and

(C) analyze visual sources to identify components of cultural landscape, including the rice terraces and the Sydney Opera House (H, Geo/C).

(29) East Asia. The student understands the physical geography and human environment interaction of East Asia. The student is expected to:

(A) describe how Earth-Sun relationships in East Asia naturally influence weather conditions, including typhoons (Geo/C); and

(B) identify major landforms, including the Gobi Desert, the Tibetan Plateau, the Korean Peninsula, the Japanese Archipelago, and Mount Fuji (Geo/C).

(30) East Asia. The student understands the population geography of East Asia. The student is expected to:

(A) describe human or physical features that influence the size and distribution of settlements in East Asia, including arable land and the high-speed rail (H, G/Civ, Geo/C);

(B) analyze push-pull factors that affect human migration patterns in East Asia, including oppression experienced by people living under communist regimes in North Korea and economic opportunity (H, G/Civ, E); and

(C) explain how China's one-child policy used government authority to restrict family size and to affect birth rates (G/Civ, Geo/C).

(31) East Asia. The student understands the economic and political geography of East Asia. The student is expected to:

(A) explain East Asia's role in the global economy, including automobile and technology manufacturing and global supply chains (E); and

(B) explain the role of physical and human geography in territorial conflicts, including the disputes over territorial claims in the South China Sea (G/Civ, Geo/C).

(32) East Asia. The student understands the cultural geography of East Asia. The student is expected to:

(A) explain how cultural convergence in East Asia was influenced by trade, including the core tenets of Confucianism and the Hanzi Writing System (H, Geo/C);

(B) explain how cultural divergence was influenced by differing political systems, including differences between China and Taiwan and differences between North and South Korea (H, G/Civ, Geo/C); and

(C) analyze visual sources to identify components of cultural landscape, including the Great Wall of China, the Forbidden City, and cityscapes (H, Geo/C).

(33) Russia and the Republics. The student understands the physical geography and human environment interaction of Russia and the republics. The student is expected to:

(A) identify major landforms or biomes, including the Siberian tundra, the Nomadic Steppe, Ural Mountains, Lake Baikal, West Siberian Plain, and the Volga River (Geo/C); and

(B) explain how human ingenuity has helped people adapt to the environment in Russia and the republics, including permafrost engineering, the Trans-Siberian Railroad, and Aral Sea restoration (H, Geo/C, E).

(34) Russia and the Republics. The student understands the population geography of Russia and the republics. The student is expected to:

(A) describe features that influence the size and distribution of settlements in Russia or the republics, including government policies and inhospitable climate (G/Civ, Geo/C);

(B) explain the effects of innovation on patterns of human settlement in Russia or the republics, including the Trans-Siberian Railroad and pylon construction in permafrost zones (H, Geo/C);

(C) analyze push-pull factors that affect human migration patterns, including economic stagnation and opportunities (G/Civ, E); and

(D) explain how international and internal boundaries shape the spatial organization of Russia and its republics through territorial and resource control (Geo/C).

(35) Russia and the Republics. The student understands the economic and political geography of Russia and the republics. The student is expected to compare primary, secondary, tertiary, or quaternary economic activities, including military development and defense manufacturing, in Russia or the republics with those in the United States (H, G/Civ, E).

(36) Russia and the Republics. The student understands the cultural geography of Russia and the republics. The student is expected to:

(A) explain cultural convergence, including shared Soviet era experiences and Cold War history (H, Geo/C); and

(B) analyze visual sources to identify components of cultural landscape, including the Kremlin, Red Square, St. Basil's Cathedral, and Moscow City (H, Geo/C).

(37) Europe. The student understands the physical geography and human environment interaction of Europe. The student is expected to:

(A) identify major landforms, including the Alps, the Scottish Highlands, The Pyrenees, the Rhine River, The Danube River, Norwegian Fjords, and the Greek Archipelago (Geo/C);

(B) explain how human ingenuity has helped people adapt to the environment in Europe, including the polder system and river restoration (Geo/C, E); and

(C) explain the effects of reducing nuclear energy in Europe, including increased reliance on imported natural gas, higher energy costs, deindustrialization, and loss of manufacturing as manufacturing moves to countries with lower environmental and human rights standards (Geo/C, E).

(38) Europe. The student understands the population geography of Europe. The student is expected to:

(A) describe features, including industrial corridors and access to major rivers, that influence the size and distribution of settlements in Europe (G/Civ, Geo/C);

(B) explain the effects of innovation on connections between places, including the Channel Tunnel and high-speed rail networks (H, Geo/C); and

(C) analyze push-pull factors that affect human migration patterns in Europe, including the high cost of urban living and economic opportunities (G/Civ, E).

(39) Europe. The student understands the economic and political geography of Europe. The student is expected to identify the primary, secondary, tertiary, or quaternary economic activities of Europe, including tourism and high-tech manufacturing (E).

(40) Europe. The student understands the cultural geography of Europe. The student is expected to:

(A) explain how cultural convergence was influenced by migration and trade, including Hellenistic culture and shared cultural traditions influenced by Christianity, the Hebrew Scriptures (Old Testament), and the New Testament (Geo/C, E);

(B) explain the cultural divergence in Europe, including linguistic sovereignty (H, Geo/C); and

(C) analyze visual sources of Europe to identify components of cultural landscape, including architecture, land use, signage, public art, monuments, and place names (Geo/C).

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

Filed with the Office of the Secretary of State on November 13, 2026.

TRD-202604822
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
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Proposal publication date: May 15, 2026
For further information, please call: (512) 475-1497

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TITLE 26. HEALTH AND HUMAN SERVICES

PART 1. HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 3. MEMORANDUM OF UNDERSTANDING WITH OTHER STATE AGENCIES
SUBCHAPTER E. MOU--COORDINATION OF SPECIAL EDUCATION SERVICES TO STUDENTS WITH DISABILITIES IN RESIDENTIAL FACILITIES

26 TAC §3.251

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts the repeal of §3.251, concerning Interagency Coordination of Special Education Services to Students with Disabilities in Residential Facilities.

Section 3.251 is adopted without changes to the proposed text as published in the August 14, 2026, issue of the *Texas Register* (51 TexReg 5341). This rule will not be republished.

BACKGROUND AND JUSTIFICATION

The repeal removes a rule from the Texas Administrative Code (TAC) that is no longer required by the governing statute. Texas Education Code §29.012(d) requires the Texas Education Agency (TEA), HHSC, the Texas Department of Family and Protective Services, and the Texas Juvenile Justice Department to have a memorandum of understanding (MOU) for the provision of public education in residential facilities as required by the Individuals with Disabilities Education Act. House Bill 2 and Senate Bill 568, 89th Legislature, Regular Session, 2025, amended Texas Education Code §29.012(d) by removing the requirement to have the MOU in rule. Section 3.251 adopts by reference a TEA rule, 19 TAC §89.1115, that provides the terms of the MOU in rule. While the MOU is still required by statute and enforceable, it is no longer required to be in rule, HHSC is repealing §3.251.

COMMENTS

The 31-day comment period ended September 14, 2026. HHSC did not receive any comments regarding the proposed repeal.

STATUTORY AUTHORITY

The repeal is adopted by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation of and provision of services by the health and human services system and Texas Education Code §29.012(d), which allows the adoption of a memorandum of understanding without incorporating it in rule.

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 November 12, 2026.

TRD-202604811
Stephanie Tourk
Deputy Chief Counsel
Health and Human Services Commission
Effective date: December 2, 2026
Proposal publication date: August 14, 2026
For further information, please call: (512) 438-3049

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CHAPTER 300. STATE AUTHORITY RESPONSIBILITIES
SUBCHAPTER B. INTERAGENCY AGREEMENTS

26 TAC §300.101

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts the repeal of §300.101, concerning Interagency Coordination of Special Education Services to Students with Disabilities in Residential Facilities.

Section 300.101 is adopted without changes to the proposed text as published in the August 14, 2026, issue of the *Texas Register* (51 TexReg 5342). This rule will not be republished.

BACKGROUND AND JUSTIFICATION

The repeal removes a rule from the Texas Administrative Code (TAC) that is no longer required. Texas Education Code §29.012(d) requires the Texas Education Agency (TEA), HHSC, the Texas Department of Family and Protective Services, and the Texas Juvenile Justice Department to have a memorandum of understanding (MOU) for the provision of public education in residential facilities as required by the Individuals with Disabilities Education Act. House Bill 2 and Senate Bill 568, 89th Legislature, Regular Session, 2025, amended Texas Education Code §29.012(d) by removing the requirement to have the MOU in rule. Section 300.101 adopts by reference a TEA rule, 19 TAC §89.1115, that provides the terms of the MOU in rule. While the MOU is still required by statute and enforceable, it is no longer required to be in rule, HHSC is repealing §300.101.

COMMENTS

The 31-day comment period ended September 14, 2026. HHSC did not receive any comments regarding the proposed repeal.

STATUTORY AUTHORITY

The repeal is adopted by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation of and provision of services by the health and human services system and Texas Education Code §29.012(d), which allows the adoption of a memorandum of understanding without incorporating it in rule.

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 November 12, 2026.

TRD-202604812
Stephanie Tourk
Deputy Chief Counsel
Health and Human Services Commission
Effective date: December 2, 2026
Proposal publication date: August 14, 2026
For further information, please call: (512) 438-3049

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CHAPTER 554. NURSING FACILITY REQUIREMENTS FOR LICENSURE AND MEDICAID CERTIFICATION

The executive commissioner of the Texas Health and Human Services Commission (HHSC) adopts amendments to §554.2403, concerning Medical Necessity Determination; §554.2407, concerning Denied Medical Necessity; §554.2413, concerning Determination of Payment Rate Based on the MDS Assessment Submission; §554.2601, concerning Vendor Payment (Items and Services Included); and §554.2611, concerning Retroactive Vendor Payment.

Sections 554.2403, 554.2407, 554.2413, 554.2601, and 554.2611, are adopted without changes to the proposed text as published in the August 14, 2026, issue of the *Texas Register* (51 TexReg 5343). These rules will not be republished.

BACKGROUND AND JUSTIFICATION

The adopted amendments are necessary to align Medicaid program rules with the fiscal rules that implement House Bill 1, 88th Legislature, Regular Session, 2023 (Article II, HHSC, Rider 25), which require HHSC to implement a Texas version of the Patient Driven Payment Model for Long-Term Care (PDPM LTC) methodology for the reimbursement of long-term stay nursing facility (NF) services in the Medicaid program.

Under Title 42 Code of Federal Regulations §441.302(e) and (f), changing the NF reimbursement methodology from the Resource Utilization Group (RUG) to the PDPM LTC requires HHSC to incorporate the PDPM LTC methodology into the individual cost limit methodologies and related cost limit methodology. The adopted amendments replace references to the former RUG reimbursement methodology with the term "reimbursement rate" in the Texas Administrative Code for the state's two NF waiver programs, the STAR+PLUS Home and Community-Based Services Program and the Medically Dependent Children Program.

COMMENTS

The 31-day comment period ended September 14, 2026.

HHSC did not receive any comments regarding the proposed rules.

SUBCHAPTER Y. MEDICAL NECESSITY DETERMINATIONS

26 TAC §§554.2403, 554.2407, 554.2413

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §32.021, which provides HHSC with the authority to administer the federal medical assistance program in Texas and to adopt rules and standards for program 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 November 9, 2026.

TRD-202604767
Stephanie Tourk
Deputy Chief Counsel
Health and Human Services Commission
Effective date: November 29, 2026
Proposal publication date: August 14, 2026
For further information, please call: (512) 438-2910

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SUBCHAPTER AA. VENDOR PAYMENT

26 TAC §554.2601, §554.2611

STATUTORY AUTHORITY

The amendments are adopted under Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §32.021, which provides HHSC with the authority to administer the federal medical assistance program in Texas and to adopt rules and standards for program administration.

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TITLE 28. INSURANCE

PART 1. TEXAS DEPARTMENT OF INSURANCE

CHAPTER 5. PROPERTY AND CASUALTY INSURANCE

SUBCHAPTER O. STATISTICAL PLANS

28 TAC §5.9501

The commissioner of insurance adopts amendments to 28 TAC §5.9501, concerning the *Texas Commercial Lines Statistical Plan* (Commercial Plan). The amendments are adopted with changes to the proposed text published in the May 22, 2026 issue of the *Texas Register* (51 TexReg 3526). Section 5.9501 was revised in response to public comments and will be republished. The Commercial Plan referenced in §5.9501 has also been revised in response to public comments and to provide clarification, ensure consistency, and correct errors and typos.

REASONED JUSTIFICATION. The amendments to §5.9501 and the Commercial Plan are necessary to implement House Bill 2067, 89th Legislature, 2025. HB 2067 amends Insurance Code

Chapter 551 to require insurers to disclose their reasons for cancellation or nonrenewal of an existing insurance policy or for declination of an application. HB 2067 also requires that insurers provide to TDI--at least once a quarter and in the form and manner TDI prescribes--a written report organized by ZIP code that summarizes the reasons that were provided to consumers. The bill also requires TDI to post an aggregated summary of the reports on its website. To implement HB 2067 as to certain personal lines, TDI adopted by reference updated versions of the *Texas Statistical Plan for Residential Risks* and the *Texas Private Passenger Auto Statistical Plan,* which became effective on February 4, 2026, for use starting on April 1, 2026.

Descriptions of the amendments to §5.9501, which adopts by reference a revised version of the Commercial Plan, follow. Details about the adopted changes to the Commercial Plan appear after the rule text discussion.

Amendments to subsection (a)(1) provide an expanded statement of the purpose of the section: to establish requirements for data reporting under Insurance Code §38.001, §551.006, and Chapter 38. In addition to the new citations to Insurance Code §38.001 and §551.006, a title is added to the existing citation to Insurance Code Chapter 38, Subchapter E, to conform to agency style.

An amendment deletes subsection (a)(2) to remove the unnecessary statement that the commissioner has designated a statistical agent for commercial lines of insurance.

The first sentence of subsection (a)(3) is redesignated as subsection (a)(2), and amendments replace references to reporting of premium and loss cost experience under Insurance Code §38.205 with a broader reference to the reporting requirements described in the Commercial Plan. The word "all" is deleted to avoid confusion about the insurers subject to the rule and a title is added to the reference to Insurance Code §38.202 and the title of the Commercial Plan is italicized for consistency with agency style.

The second sentence of subsection (a)(2) is designated as new (a)(3) and changes the word "report" to the plural form to clarify that all reports must comply with the Commercial Plan. In addition, the title of the Commercial Plan in the subsection is italicized.

TDI proposed an amendment to subsection (a)(4) to provide October 1, 2026, as the date that insurers must begin filing the reports under the section. In response to comments, the proposed text has been changed, and the adopted implementation date is April 1, 2027. The adopted implementation date will give insurers additional time to integrate the tracking, collection, and reporting of the new data into its computer systems, databases, and business processes.

Amendments to subsection (b) update the effective date of the revised version of the Commercial Plan adopted by reference to April 1, 2027, and italicize the plan title. In addition, the statement about the availability of the Commercial Plan on TDI's website is shortened for clarity. As proposed, the effective date of the Commercial Plan was October 1, 2026. But, as with the date in subsection (a)(4), this effective date as adopted is changed to April 1, 2027.

To implement HB 2067, amendments to the Commercial Plan require insurers to include data by ZIP code relating to the reasons for coverage decisions in the statistical reports submitted to TDI's statistical agents. Insurers must report the data for farm and ranch and farm and ranchowners lines on a monthly basis and the data for other lines designated in the Commercial Plan on a quarterly basis, aligning with current reporting frequency. The revisions to the Commercial Plan facilitate insurers' reporting of the data and TDI's collection and posting of an aggregated summary of the data reports, in compliance with HB 2067. The revised Commercial Plan provides codes to be used as shorthand for various common reasons an insurer would decline an application or cancel or not renew a policy.

As proposed, the implementation date for insurers to begin reporting HB 2067 data under the Commercial Plan was October 1, 2026. In response to comments, TDI has extended the implementation date to April 1, 2027. As instructed in the Commercial Plan as adopted, the reason-related reporting requirements will apply to all declinations, cancellations, and nonrenewals starting on April 1, 2027, except for:

(1) declination of an application that was made before April 1, 2027; and

(2) cancellation of a policy that was delivered, issued for delivery, or renewed before April 1, 2027.

In the Commercial Plan, newly added Section K describes the requirements, instructions, record layout, and field definitions for reason-code reporting for lines of insurance other than farm and ranch and farm and ranchowners. As proposed, reporting requirements under Section K apply to commercial liability, commercial property, businessowners, commercial auto, miscellaneous commercial, fidelity and surety, and miscellaneous personal lines of insurance covered by the current version of the Commercial Plan. In response to comments, the lines of business subject to Section K are narrowed to exclude miscellaneous commercial, fidelity and surety, and miscellaneous personal lines of insurance. Under Section K as adopted, the following lines of business are subject to reason-code reporting: commercial liability, commercial property, businessowners, and commercial auto. Specific Instructions No. 4 instructs insurers to review the definitions in the Commercial Plan to determine whether specific policies or products are subject to reporting.

New Section M is added to describe the requirements, instructions, record layout, and field definitions for reason-code reporting for farm and ranch and farm and ranchowners lines of insurance.

Conforming revisions are made to the existing sections of the plan to reflect new Sections K and M.

Insurers should note that the reason codes are provided only for use in a statistical plan report submitted to TDI's statistical agents. TDI expects that in notices or disclosures of reasons to consumers, as required by HB 2067, insurers will provide a comprehensive description or explanation of the reasons for a specific declination, cancellation, or nonrenewal; the insurer should not rely on TDI's reason codes in its consumer notices or disclosures. TDI anticipates that reason-code updates will be needed to align future data reports with the evolving insurance market, address stakeholder feedback, or improve the usefulness of collected data.

Consistent with Insurance Code §§551.002(c), 551.055, and 551.109, the proposed reason-code reporting requirements had an indicator for reasons that include the use of third-party information. The reason source indicator requires insurers to specify whether the reasons for a declination, cancellation, or nonrenewal were based on the use of aerial imagery versus other

types of third-party information. An indicator for cancellations that occur during the first 60 days of an initial policy term was also included in the proposed Commercial Plan. In response to comments and to simplify data reporting and collection, the Commercial Plan as adopted removes the requirements to report a reason source indicator and 60-day indicator from Section K, but keeps these requirements for farm and ranch and farm and ranchowners lines under Section M.

Section K as adopted also removes the requirement that insurers report data by annual statement line of business. In response to comment, Section K as adopted requires insurers to report data according to the Texas Commercial Lines Statistical Plan lines of business (TCLSP lines of business), which will streamline data reporting and simplify data collection.

In response to comment, TDI also clarifies ZIP code field definitions in Section K by specifying that insurers should report zero in the ZIP code field if no specific risk location is available. To avoid redundancy with the ZIP code field definitions, Section K removes the specific instructions for ZIP code.

TDI also clarifies the specific instructions for declinations, cancellations, and nonrenewals. As adopted, insurers should report declinations, cancellations, and nonrenewals only when the action applies to the entire application or policy. The insurer is instructed to report declinations for each line of business that a policy would have been issued for had the application not been declined, and report cancellations and nonrenewals for each applicable line of business. If an application is declined before determining the ultimate policy structure, the insurer should report the most likely line or lines of business on the basis of the available information. Specific instructions are also added to clarify how insurers should report a declination when using a group rating structure. The field definitions in Sections K and M as adopted clarify that, when reporting the action effective date for declinations, the date the action is effective should match the notification date. Partially in response to comment, the adopted field definitions in Sections K and M clarify that, when reporting the action effective date for declinations, the date the action is effective should match the notification date. Although the definitions in Section K and M are slightly different than what was adopted in the Residential Property and Private Passenger Automobile Statistical Plans, the field definitions as adopted are consistent with TDI's interpretation of statute and TDI's approach to the declinations under the residential property and private passenger auto statistical plans. TDI expects the notification date of the declination to be contemporaneous with the declination action taken, and the reporting should reflect the date the notification was actually sent.

TDI also adopts new reporting requirements for additional reports of the numbers of declined applications and canceled and nonrenewed policies by ZIP code. New Sections L and N are added to the Commercial Plan to provide the requirements, instructions, record layout, and field definitions for reporting the data for the different lines of insurance. Conforming revisions are made to the existing sections of the plan. As adopted, Section L makes conforming changes to align with Section K as adopted, including changing the applicability, the lines of business reporting, the ZIP code definitions, and clarifying specific instructions and field definitions.

In addition to the revisions to implement HB 2067 and Insurance Code Chapter 38, Subchapter E, TDI adopts revisions to the Commercial Plan relating to the reporting of premium and loss data in the experience reports (i.e., experience report updates). These revisions include correcting errors, updating reference tables, and removing obsolete technology references. During the last update of the Commercial Plan adopted in 2016, a map of territory codes was inadvertently removed from Attachment A-3 of the Quarterly Liability Experience Report section; because the map is no longer needed, TDI did not propose to reinsert the map and TDI received no comments regarding its removal. In the Record Layout for Loss Transactions of the Quarterly Fidelity & Surety Experience Report section, the field length for the Report Date is corrected to six digits instead of five. A missing word is inserted in Attachment 3 to the General Reporting Instructions. References to obsolete technology (magnetic tape) and reporting mediums (cartridge, diskette, CD) are replaced with instructions for electronic submission in General Reporting Instructions Nos. 5 - 7 (consolidated down to revised Nos. 5 and 6); in General Rules Nos. 17 and 23 for the Farm and Ranch Annual Experience Report (FR) section; and in General Rules Nos. 18 and 24 for the Farm and Ranchowners Annual Experience Report (FRO) section. General Rules No. 24 in the FR section and General Rules No. 25 in the FRO section addressing obsolete technology are deleted.

Attachment 2 of the General Reporting Instructions, which sets forth the Annual Statement Line of Business Codes, is updated to reflect current National Association of Insurance Commissioners (NAIC) lines of business and clarify reporting applicability. As proposed, Attachment 2 included additional lines for federal flood (2.3), private crop (2.4), private flood (2.5), ocean marine (8), inland marine (9.1), pet insurance (9.2), medical professional liability - occurrence (11.1), medical professional liability-claims-made (11.2), products liability- occurrence (18.1), products liability - claims-made (18.2), aircraft (22), and credit (28). As adopted, Attachment 2 is revised from the proposed version to remove lines for federal flood (2.3), mortgage guaranty (6), ocean marine (8), financial guaranty (10), aircraft (22), and credit (28) to avoid confusion because these lines do not report data under the plan; and remove lines for commercial multi-peril (5), inland marine (9), medical professional liability (11), and products liability (18) because data for these lines should be reported under their sublines. A footnote is added for clarity for multi-peril crop (2.2), private crop (2.4), and farmowners multi-peril (3), indicating applicability of reporting to certain statistical agents. As adopted, conforming and clarifying edits are made to Specific Instruction No. 2 for Sections A, B, C, D, E, F, and G to tie the applicable lines of business to Attachment 2.

Additional revisions to the FR and FRO sections (Sections H and I) include adding new codes to reflect market developments, aligning reporting requirements with current industry practices, removing obsolete reporting requirements, and making clarifying edits. General Rules No. 22 of the FR section and General Rules No. 23 of the FRO section address the designation of the statistical agent for residential property insurance. For clarity and to avoid confusion about the lines of business covered by the term "residential property" as used in the Commercial Plan, references to "residential property" are changed to "farm and ranch" and "farm and ranchowners," respectively, in each section.

New classification codes for unmanned aerial systems are added in the subsections titled Coding Section - Premium and Loss and Coding Guidelines - Premium in the FR section and the Coding Guidelines - Premium subsection in the FRO section. These additions will allow reporting of scheduled farm personal property that reflects the use of technology by property owners to monitor and manage their lands.

The updates to the experience report also add a new field to accommodate larger deductibles. At least one insurer has inquired about reporting deductible amounts that exceed $999,999 or span seven digits. Because the current FR and FRO sections allocate six positions for reporting the deductible amount, insurers currently report "999999" in the deductible field when the deductible is seven digits.

Since the existing deductible field has six positions and there is not room in the record layout to expand the positions, a new field called "large deductible programs" has been added where seven positions in the record layout are available. Insurers will report under one field or the other but not both. If an insurer offers deductibles that exceed $999,999, the insurer would report all its deductible amounts under the new large deductible program field, and report zeroes in the existing deductible field. If an insurer does not offer deductibles that exceed $999,999, the insurer would report all its deductible amounts under the currently existing deductible field and then report zeroes under the large deductible program field. Updated instructions and record layouts for reporting deductibles have been added to General Rules No. 15, Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses in the FR section and to General Rules No. 16, Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses in the FRO section. The addition of the large deductible program field addresses limitations in the current plan that make reporting of accurate statistical data difficult.

The changes to the Commercial Plan also remove obsolete reporting requirements for the Tear Out and Replacement of Building and Land Coverage Endorsement, which reflect limited coverage for tear out and replacement of buildings and land in order to access a plumbing drain system located within or under the slab or foundation. The endorsement was part of the benchmark rating system, which used the Texas Personal Lines Manual (TPLM). Senate Bill 1499, 75th Legislature, 1997, changed the regulation of farm and ranch and farm and ranchowners insurance so that these lines were regulated as commercial property insurance and no longer subject to the benchmark rating system and the TPLM. The TPLM subsequently became obsolete when the Texas Legislature passed Senate Bill 14, 78th Legislature, 2003, which replaced the benchmark rating system. The now-obsolete references and instructions for the Tear Out and Replacement of Building and Land Coverage Endorsement are removed from General Rules No. 25 and the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FR section and General Rules No. 26 and the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FRO section.

The changes to the Commercial Plan also remove obsolete references to coverages and sublines under the Property Protection Program (PPP). Insurance Code Article 5.35-3 authorized the PPP to provide residential property insurance coverage against loss to real or tangible personal property at a fixed location provided in a homeowners policy, residential fire and allied lines policy, or farm and ranchowners policy. Under House Bill 2017, 79th Legislature, 2005, Article 5.35 was subsequently recodified as Insurance Code Chapter 2004 and references to the PPP were removed. Because the program no longer exists, references to coverage under the PPP are removed from the Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses subsections of the FR section and from the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FRO section.

Because insurers are no longer required by the statistical agent to submit a formal affidavit with report filings, changes to the Commercial Plan remove the requirement for a formal affidavit from General Rules No. 4 in both the FR and FRO sections.

Several experience report updates are made to reflect current industry practice. New codes for additional policy forms, endorsements, and coverage are added. These include codes added to the Coding Section - Premium and Loss and the Coding Guidelines - Premium subsections in both the FR and FRO sections to reflect policy forms used in the market for two additional farm insurance programs, an Independent Farm Program and the American Association of Insurance Services (AAIS) Farm Program. Codes are also added for Farm and Ranchowners Tenant Policies and related tenant forms in the Coding Section - Premium and Loss, the Coding Guidelines - Premium, and the Coding Guidelines - Losses subsections of the FRO section. Similarly, a new code for policies with an "Individual Company Enhancement Endorsement" is added to the Coding Guidelines - Premium subsection in the FR section. Coverage, classification, and subline codes for liability are added to the Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses subsection in the FR section to accommodate current reporting practices for liability coverage offered by farm and ranch insurers.

In addition, a new code for reinstatements of pro rata cancellations is added to the record type in the Coding Guidelines - Premium subsection of the FR and FRO sections to accommodate current reporting practices.

As clean-up, asterisks are deleted from code column entries for SKIP fields throughout both the FR and FRO sections. Asterisks in the Codes column are used to distinguish entries made by the reporting company that do not have designated codes. For a SKIP field, the Codes column entry must be blank because the field is a placeholder not currently intended for any data. An asterisk is also added to some fields where the asterisk was inadvertently shifted from the field listed above or below the SKIP field.

Because the Commercial Plan is available on TDI's website, the description of the plan in "loose leaf form" and how pages are revised or reprinted has also been deleted in General Rules No. 1 in both the FR and FRO sections. General Rules No. 17 of the FR section and General Rules No. 18 of the FRO section are revised to clarify who should submit the annual reconciliation and also clarify that reports should be submitted to TDI's statistical agent.

Nonsubstantive changes are made throughout the Commercial Plan, including typographical, grammatical, and other corrections; plain language edits; TDI division name and contact information updates; updates to the name and contact information for one of the statistical agents; and style and formatting changes to reflect current TDI style preferences. A revision also clarifies that the lines of business covered by the Commercial Plan include miscellaneous personal lines, as stated in General Reporting Instructions No. 3.

SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI provided an opportunity for public comment on the rule proposal for a period that ended on June 22, 2026.

Commenters: TDI received comments from five commenters. Four commenters spoke at a public hearing on the proposal held on June 15, 2026. Commenters in support of the proposal with changes were Acuity Insurance, American Property and Casualty Insurance Association, Insurance Council of Texas, Markel Specialty Insurance, and the Surety and Fidelity Association of America.

Comment. Multiple commenters state concerns with the proposed deadline to begin complying with the reporting requirements. Commenters suggest modifying the implementation date from October 1, 2026, as proposed, to no earlier than January 1, 2027. The commenters state that the reporting requirements are a significant change and will require time to update systems. One commenter also notes that the detailed reporting requirements under HB 2067 are especially difficult to implement for commercial lines, which are often subject to less data reporting than personal lines. Companies will need time to revise or design and test systems to collect and report the data. Other commenters agree with the need to modify the deadline and the underlying reasons stated but suggest a deadline of April 1, 2027, to begin complying.

Agency Response. TDI recognizes the challenge of implementing the new reporting requirements by the proposed deadline and agrees to extend the implementation time. To reflect this, the effective date of the Commercial Plan in the rule text and in the plan is modified from October 1, 2026, to April 1, 2027. TDI believes that delaying the plan's effective date will provide insurers with sufficient time to implement the reporting requirements, which will promote accurate and timely data reporting. With the additional implementation time, insurers should be able to make necessary updates to their systems and processes before the reporting begins.

In §5.9501(a)(4), TDI modifies the date that insurers must begin filing the reports under §5.9501(a) from October 1, 2026, to April 1, 2027. The effective date in the Commercial Plan is also changed from October 1, 2026, to April 1, 2027. To reflect this change, TDI modifies the plan effective date referenced in §5.9501(b) from October 1, 2026, to April 1, 2027.

Comment. Multiple commenters express concern about the short amount of time available for testing and validating updates to insurer systems needed to comply with the new reporting requirements. One commenter asks whether TDI will offer a test submission or validation environment to allow for file formatting and data quality prior to initial filing deadlines or whether a "de minimis threshold" or "phase-in" will be provided for declination reporting, given the significant system changes required to capture and report declination data across multiple intake channels. Another commenter envisions considerable time for testing and for insurers to work with the statistical agents to ensure programming and systems alignment, and recommends that initial required reports be subject to a "safe harbor" or "pilot" period with allowances for good-faith errors and corrections.

Agency Response. TDI recognizes the challenge of implementing the reporting requirements by the proposed deadline but declines to offer a testing environment or establish a safe harbor or pilot reporting period. As previously described, the effective date of the Commercial Plan in the rule text and in the plan is changed from October 1, 2026, to April 1, 2027. This delayed implementation date will give insurers more time to update and test coding and programming systems to comply with the requirements.

Comment. Multiple commenters express concern about the applicability of HB 2067 and the Commercial Plan. One commenter asks for specific guidance on what types of policies constitute liability, property, businessowners, commercial auto, miscellaneous commercial, fidelity and surety, and miscellaneous personal coverages. The commenter also requests that TDI confirm whether inland and ocean marine, umbrella and excess liability policies, and warranty products are intended to be out of scope. Another commenter states that the lines that are not subject to the reporting requirements in HB 2067 should be identified to avoid confusion about the reporting requirements in the Commercial Plan.

Similarly, one commenter notes that the insurers required to report under the Commercial Plan do not exactly match the set of insurers required to comply with the notice requirements in Insurance Code Chapter 551. The commenter recommends that TDI review §5.9501 and the Commercial Plan as proposed to determine whether revisions are needed to reflect the differences in applicability between the lines of business.

Agency Response. TDI notes that the Commercial Plan provides instructions for determining line of business reporting. Sections K and L list the lines of business and the definitions that insurers should reference to determine the business subject to reporting. As adopted in Item 4 of Sections K and L, the following lines of business are subject to HB 2067 reporting: liability business as defined in section A, item 2; commercial property as defined in section B, item 2; businessowners as defined in section C, item 2; and commercial auto as defined in section D, items 2 and 3. As previously described, the adopted Commercial Plan removes miscellaneous commercial business, fidelity and surety business, and miscellaneous personal business from the reporting requirements in Sections K and L. Insurers should review the definitions in the Commercial Plan to determine whether reporting applies to the line or product at issue.

In addition, as previously described, the annual statement lines of business listed in Attachment 2 in the General Reporting Instructions are modified to clarify lines of business subject to reporting and to align the annual statement line of business codes with the current NAIC lines of business.

Comment. Two commenters express concern with applying HB 2067 reporting requirements to surety and fidelity bonds. The commenters request that TDI remove the line of business from the HB 2067 reporting requirements in the Commercial Plan and provide various arguments to justify its removal.

The commenters question whether Insurance Code Chapter 551 intended to apply the new reporting requirements to the fidelity and surety line of business, which is generally not subject to the Insurance Code. One commenter notes that Insurance Code §551.001 does not appear to include surety and fidelity bonds within the scope of promulgated rules under Insurance Code Chapter 551, and the other commenter states that surety bonds are not insurance policies in the traditional sense contemplated by Insurance Code Chapter 551. Surety bonds are three-party instruments between a principal, an obligee, and a surety that guarantees the principal's performance obligation to the obligee. The commenter contrasts the purpose of this contractual agreement with an insurance policy, which is designed to protect policyholders against financial loss, and states that the Texas Legislature has a long-standing practice of distinguishing between bonds and insurance policies.

In addition to the structure, commenters also note that surety and fidelity bonds are underwritten using entirely different criteria than insurance policies. Things like wildfire exposure, wind or hail exposure, hurricane exposure, concentration of risk in an area, location of risk, and property condition are largely irrelevant to surety underwriting decisions. Commenters argue that reporting location-specific data via ZIP codes would produce little regulatory value because underwriting is not based on location-specific criteria. One commenter also notes that many principals operate across multiple ZIP codes or even statewide, which would further undermine the utility of the data. The commenter argues that the reporting requirements would impose a substantial compliance burden while producing poor data.

Commenters state that, because the structure and underwriting differ so much from insurance policies, the reporting framework cannot be meaningfully applied to surety bonds. One commenter notes that Section F of the Commercial Plan contains specialized categories unique to fidelity and surety bonds. The commenter reasons that by establishing this unique reporting framework, TDI recognized that other reporting classifications are inapplicable to surety and fidelity bonds. The commenter argues that departing from the tailored reporting approach as illustrated in Section F would create internal inconsistencies in TDI's approach to surety and fidelity bonds.

Agency Response. TDI agrees to remove fidelity and surety bonds from reporting requirements under Section K and L of the Commercial Plan.

Comment. Two commenters express concern about which insurer actions were required to be reported, depending on the action type and the effective date of the policy. One commenter notes that, under HB 2067, notices are required for an "application for insurance that is made or an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act," which was January 1, 2026. Another commenter states that as proposed, the Commercial Plan uses a policy-effective-date approach for declinations and cancellations but introduces a transaction-based approach for nonrenewals. The commenter states that the reporting requirements should be consistent and apply only to policies effective on or after the effective date.

Agency Response. TDI disagrees and declines to modify the reporting approach as proposed beyond changing the implementation date from October 1, 2026, to April 1, 2027. TDI notes that the provisions in HB 2067 apply to "an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act." If policies issued before January 1, 2026, and nonrenewing after that date were not in scope, notices and reporting for nonrenewals would not apply until after policies were renewed at least once after the effective date. This would result in an information gap for TDI and consumers, and potentially conflict with legislative intent to ensure that consumers are informed about the reasons for nonrenewal of their insurance coverage.

Comment. One commenter notes that Insurance Code §551.006(b) requires TDI to post an aggregated summary that does not identify, directly or indirectly, any insurer. The commenter states that this section recognizes that insurer reports will include confidential and proprietary information that, if released, could expose companies' underwriting guidelines and other sensitive information. The commenter urges TDI to take all necessary steps in rulemaking to protect the confidentiality of the reported information.

Agency Response. TDI declines to add confidentiality provisions in the Commercial Plan because confidentiality is addressed in HB 2067. As the commenter notes and consistent with Insurance Code §551.006(b), TDI will post an aggregated summary of insurers' reports, which will not identify, directly or indirectly, any insurer as required by HB 2067. TDI notes that insurers currently report detailed statistical data under the Commercial Plan without explicit confidentiality provisions laid out in this plan.

Comment. One commenter requests that TDI remove the requirement to report whether a cancellation occurred within the first 60 days of a policy term. The commenter states that the timing of the cancellation is a separate inquiry and is not relevant to the information to be reported under HB 2067. The commenter also states that the requirement would necessitate additional programming to collect data not specified in the bill.

Agency Response. To lessen the additional programming needed to collect data, TDI agrees to remove the 60-day-indicator requirement for certain insurers under Section K of the Commercial Plan. As adopted, the 60-day indicator must be reported for farm and ranch and farm and ranchowners lines as instructed in Section M of the Commercial Plan. TDI views farm and ranch and farm and ranchowners coverage as similar to residential property insurance coverage, which is required to report this indicator.

Comment. Two commenters question the requirement that insurers report an indicator for reasons that include the use of third-party information and aerial imagery. One commenter seeks clarification on whether these requirements apply to commercial lines. Another commenter notes that the requirement to report the use of third-party information and aerial imagery goes beyond the scope of HB 2067, as Insurance Code §551.006 refers only to reasons. The commenter also notes that use of this information is a tool for assessing risk but is not a reason for an underwriting action. The commenter recommends that TDI leave to the Texas Legislature the policy decision on whether and how to regulate the use of aerial imagery, including the definition of key terms.

Agency Response. TDI disagrees that the requirement to report the use of third-party information and aerial imagery goes beyond the scope of HB 2067 but agrees to remove this requirement for certain insurers under Section K of the Commercial Plan. However, as adopted, the reason source indicator must be reported for farm and ranch and farm and ranchowners lines as instructed in Section M of the Commercial Plan. TDI views farm and ranch and farm and ranchowners coverage as similar to residential property insurance coverage, which is required to report this indicator. It is important to collect data on insurers' reliance on sources of information they use to make decisions that adversely affect farm and ranch and farm and ranchowners insurance applicants and policyholders.

Comment. Multiple commenters ask for clarification on what information or sources of information constitute "third-party information" for purposes of reporting the reason source indicator. Commenters ask whether "third-party information" includes driving records, Department of Motor Vehicles reports, or publicly available data sets like Secretary of State filings or Occupational Safety and Health Administration records. Another commenter notes that "third-party information" as proposed is so broad, it may encompass a wide range of data sources like catastrophe modeling outputs, financial or credit-related information, prior carrier loss runs, or public records. A commenter notes that com-

panies may not currently capture where the information used to make a decision originated.

Agency Response. TDI considers information from an external provider or source as constituting third-party information, which includes information from the sources that commenters cited. As previously described, the requirement to report a reason source indicator for third-party information is removed under Section K. As adopted, only farm and ranch and farm and ranchowners lines under Section M must report a reason source indicator for third-party information.

Comment. Multiple commenters note that "aerial imagery" is not defined. One commenter requests clarification on whether it includes sources of information, such as satellite imagery, manned or unmanned (e.g., drone) aircraft imagery, and publicly available tools like Google Earth. One commenter notes that clear definitions will help ensure consistent reporting and avoid overinclusive or inconsistent interpretations. Another commenter encourages TDI to leave to the Texas Legislature the policy decision on whether and how to regulate the use of aerial imagery, including the definition of key terms.

Agency Response. Any imagery taken from an aerial view is considered aerial imagery, including imagery taken from the sources cited by commenters. As previously described, the requirement to report a reason source indicator for aerial imagery is removed under Section K. As adopted, only farm and ranch and farm and ranchowners lines under Section M must report a reason source indicator for aerial imagery.

Comment. Multiple commenters request clarification on selecting and reporting reason codes and what constitutes a "completed and submitted application" for purposes of reporting declination data. One commenter asks whether there is a minimum set of required data elements, such as receiving the applicant's name, risk address, or requested coverages in an application. Another commenter asks at what point in the application process an application becomes "completed and submitted" and notes that more clarification is needed because commercial insurance often includes multiple quotes.

Similarly, one commenter requests guidance on how to select reason codes where limited information is available, such as in early-stage declinations based on class or territory. The commenter states that this information is necessary to assist with assigning data fields. The commenter also asks how to treat incomplete submissions, such as where the applicant fails to provide information or financials. The commenter also asks whether automated declinations must be reported and, if so, how reason codes and notification dates should be assigned.

Agency Response. Insurance Code §§551.002, 551.0521, and 551.007 refer to a "completed and submitted application," so the commenter should report declinations when the application is completed and submitted. In those situations, the insurer should report the reason codes that would apply. TDI declines to specify the elements or the point in the application process where the application is considered "complete and submitted." Because the Commercial Plan applies to many different lines of insurance and there is likely variance in the application process across these lines, it would be difficult to formulate a specific definition or set of elements that accounts for those variations. If an insurer declines a completed and submitted application, the insurer must provide the applicant with a written statement giving the reasons for the declination and report the declination according to the Commercial Plan.

Comment. One commenter requests additional guidance on what constitutes the "notification date" for declinations communicated verbally or through informal email. The commenter notes that this information is necessary to assist in assigning data fields.

Agency Response. Insurers must report the "notification date," which is "the date on which the notice providing the reasons for cancellation, nonrenewal, or declination was sent to the policyholder or applicant." The record layout and field definitions or descriptions in the Commercial Plan provide information on this field.

Comment. One commenter asks for guidance on assigning data fields. Specifically, what ZIP code should be reported when a specific risk location is not available. The commenter also asks whether using an applicant mailing address or a default ZIP code is acceptable.

Agency Response. TDI agrees to modify the Commercial Plan to clarify the Five-Digit ZIP Code field definitions in Sections K and L, which are organized by risk type--property, auto, or all other risks. As adopted, the "all other risks" category states that the insurer should report the ZIP code for the primary physical business location. For multilocation risks or if there is no specific risk location available, the insurer should report "zero" in the ZIP code field. TDI removes the specific instructions for ZIP codes because it is redundant with the field definitions and may result in confusion.

Comment. A few commenters request clarification on how to report when multiline policies are the subject of the action. One commenter asks how to report a cancellation of an all-lines policy where the automobile line prompted the cancellation. The commenter also asks whether they should report cancellation of a multiline policy only when it is a "full cancellation" or based on each line being canceled.

Another commenter asked whether an insurer should report declinations components separately for a multiline submission where the insurer partially accepts and partially declines.

Similarly, a commenter asks for guidance on assigning line of business and annual statement line of business codes where limited information is available, such as classifying the line of business where a submission is declined before the ultimate policy structure has been determined. The commenter also asks whether insurers should report the most likely classification on the basis of available information or use a default code for indeterminate submissions where a broker submits a request for multiple coverages but the insurer ultimately declines the submission before determining how the coverage would be written.

Agency Response. To lessen the complexity of data collection and reporting, the Commercial Plan as adopted removes the requirement that insurers report annual statement line of business data under Sections K and L. The Commercial Plan as adopted adds clarification in the specific instructions under Sections K and L for multiline reporting. Insurers should report actions only when those actions apply to the entire policy or submission and report actions for each applicable TCLSP line of business. For declinations, insurers should report under the TCLSP line of business that is most likely applicable on the basis of information available to the insurer. Also, for declinations, for insurers using a group rating structure, where a risk is assigned to an insurer within an affiliated group based on certain underwriting criteria, insurers should only report a declination for the most permissive insurer.

STATUTORY AUTHORITY. The commissioner adopts the amendments to §5.9501 under Insurance Code §§38.001(b), 38.202, 38.204(a), 38.205 - 38.207, 551.006, 551.112, and 36.001.

Insurance Code §38.001(b) authorizes TDI to address a reasonable inquiry to any insurance company or other holder of an authorization relating to the business condition or any matter connected with the person's transactions that TDI considers necessary for the public good or for the proper discharge of TDI's duties.

Insurance Code §38.202 allows the commissioner to, for a line or subline of insurance, designate or contract with a qualified organization to serve as the statistical agent for the commissioner to gather data relevant for regulatory purposes.

Insurance Code §38.204(a) provides that a designated statistical agent must collect data from reporting insurers under a statistical plan adopted by the commissioner.

Insurance Code §38.205 provides that insurers must provide all premium and loss cost data to the commissioner or designated statistical agent as the commissioner or agent requires.

Insurance Code §38.206 authorizes the statistical agent to collect from reporting insurers any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from that reporting insurer.

Insurance Code §38.207 authorizes the commissioner to adopt rules necessary to accomplish the purposes of Insurance Code Chapter 38, Subchapter E.

Insurance Code §551.006 authorizes the commissioner to prescribe the form and manner of an insurer's written report summarizing the insurer's reasons for declination, cancellation, or nonrenewal provided to applicants or policyholders as required by Insurance Code Chapter 551.

Insurance Code §551.112 authorizes the commissioner to adopt rules relating to the cancellation and nonrenewal of insurance policies.

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

§5.9501. Texas Commercial Lines Statistical Plan.

(a) Purpose and Applicability.

(1) The purpose of this section is to establish requirements for the reporting of data by certain direct commercial and miscellaneous personal lines insurers under Insurance Code Chapter 38, Subchapter E, concerning Statistical Data Collection; Insurance Code §38.001, concerning Inquiries; and Insurance Code §551.006, concerning Report Required.

(2) Insurers writing direct commercial and miscellaneous personal lines business in Texas must provide the required reports described in the *Texas Commercial Lines Statistical Plan* adopted by reference in subsection (b) of this section to the commissioner or the statistical agent designated under Insurance Code §38.202, concerning Statistical Agent.

(3) The reports must comply with the reporting requirements and instructions specified in the *Texas Commercial Lines Statistical Plan* adopted by reference in subsection (b) of this section.

(4) This section applies to all reports required to be filed with the department under this section for reporting periods beginning on or after April 1, 2027.

(b) Adoption by Reference. The commissioner adopts by reference the *Texas Commercial Lines Statistical Plan*, effective April 1, 2027. This document is published on the department's website at www.tdi.texas.gov.

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 November 16, 2026.

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General Counsel
Texas Department of Insurance
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Proposal publication date: May 22, 2026
For further information, please call: (512) 676-6555

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CHAPTER 12. INDEPENDENT REVIEW ORGANIZATIONS

SUBCHAPTER G. INDEPENDENT REVIEW OF PREAUTHORIZATION EXEMPTIONS

28 TAC §12.601

The commissioner of insurance adopts amendments to 28 TAC §12.601, concerning preauthorization exemptions. The amendments are adopted with changes to the proposed text published in the May 15, 2026 issue of the *Texas Register* (51 TexReg 3318). Section 12.601(f) as proposed was changed to improve clarity, consistent with corresponding changes in 28 TAC §19.1733(f), which is also adopted in this *Texas Register* issue. The section will be republished.

REASONED JUSTIFICATION. Amending §12.601 is necessary to implement House Bill 3812, 89th Legislature, 2025, which amended Insurance Code §4201.656(a) to specify that a physician or provider has a right to an independent review of a health plan's determination to deny a preauthorization exemption. Related amendments are also adopted in 28 TAC §19.1733 in this issue of the *Texas Register*.

Descriptions of the section's adopted amendments follow.

Section 12.601. Subsection (e) of §12.601 is amended to clarify that it applies with respect to a review of recission of a preauthorization exemption, and to update a reference to the title of §19.1733. A nonsubstantive change is made for consistency with agency rule drafting style.

New subsection (f) is added to address a review of a preauthorization exemption denial. Subsection (f) permits an independent review organization (IRO), in some circumstances, to review a random sample. Under the subsection, if a denial of a preauthorization exemption is based on five or fewer adverse determinations that were not previously upheld by an IRO or external reviewer, the IRO must review all the adverse determinations to determine whether to uphold or overturn the denial. If a denial of a preauthorization exemption is based on more than five ad-

verse determinations that were not previously upheld by an IRO or external reviewer, the IRO may select a random sample of at least five and no more than 20 adverse determinations to review.

TDI modifies subsection (f) as proposed to clarify that the random sample of adverse determinations selected by the IRO for review must be adverse determinations that were not previously upheld by an IRO or external reviewer. This requirement aligns with the random sampling approach provided for rescission reviews in Insurance Code §4201.655 and helps ensure that IROs will be able to complete reviews within the timeframe provided in Insurance Code §4201.656(c). If the IRO determines that one or more of the adverse determinations reviewed met the applicable medical necessity criteria and should have been approved, the IRO must recalculate an adjusted approval rate. New Figure: 28 TAC §12.601(f) is included to provide guidance on calculating the adjusted approval rate as required in new subsection (f). TDI adopts without change from the proposal paragraphs (1) - (3) of §12.601(f), which specify the methodology for calculating the adjusted approval rate. Previous subsections (f) - (g) are redesignated as appropriate to reflect addition of new subsection (f).

New subsection (i) is added to clarify the meaning of the term "external reviewer," with reference to federal rules. Under federal law, most appeals of adverse determinations use the federal external review process, which might not involve an IRO as defined by 28 TAC Chapter 12.

SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI provided an opportunity for public comment on the rule proposal for a period that ended on June 17, 2026.

Commenters: TDI received comments from four commenters. No commenters spoke at a public hearing on the proposal held on June 15, 2026. The Texas Hospital Association commented in support of the proposal. Commenters in support of the proposal with changes were Texas Medical Association and Quest Diagnostics. The Texas Association of Health Plans commented against the proposal.

Comments on §12.601

Comment. One commenter recommends that TDI take the opportunity to clarify the national provider identifier (NPI) attribution in §12.601(c), regarding the identifier under which a physician or provider makes preauthorization requests. The commenter expresses concerns that relying on adverse determinations previously upheld in calculating the approval percentage--without requiring correlation--unduly narrows the IRO's role. The commenter recommends that IROs be permitted to verify comparability between a previously upheld adverse determination and the particular health care service at issue. The commenter requests additional guidance, and states that misattributed NPIs can dilute approval rates and impair qualifications for exemptions, increasing the administrative burden. The commenter states that group practices and multi-location entities need TDI's guidance to ensure that NPI misattribution does not artificially split performance data and jeopardize exemption eligibility.

Agency Response. TDI declines to modify §12.601(c), as doing so would be outside the scope of this rulemaking. Further, the rule already dictates that the identification of NPIs be based on preauthorization request data; this avoids gamesmanship. The use of a particular NPI when requesting a preauthorization is the provider's responsibility and may be a business decision for group practices and entities and multiple locations.

Comment. One commenter expresses general support for TDI's proposed new subsection §12.601(f) and Figure 28 TAC §12.601(f) and notes that the proposed formula for calculating the adjusted approval rate is reasonable.

Agency Response. TDI appreciates the commenter's support.

Comment. One commenter notes that laboratories and other ancillary providers often have no face-to-face interaction with the patient, which makes it operationally unfeasible to secure signatures needed for the release of medical information. The commenter requests that the rules clarify that the health plan is responsible for securing patient consent for the release of information needed for their utilization management processes.

Agency Response. TDI declines to make a change because the issue of securing patient consent is outside the scope of the proposed rule. TDI also notes that the HIPAA privacy rules provide that health care providers generally do not need a patient's permission to share information with a health insurer for utilization management or payment processes.

Comment. One commenter expresses concern regarding the scope of the review to be performed by an IRO when a provider appeals a denial of a preauthorization exemption. The commenter opposes the requirement for the IRO to review each underlying adverse determination, rather than simply reviewing the exemption denial itself. The commenter states that framing the IRO process as a vehicle for providers to challenge old adverse determinations, many of which have already been resolved through the standard appeals process, mischaracterizes the structure of the review system. The commenter also says that this approach overstates the scope of review the statute contemplates and creates cost concerns because IRO review fees are substantial. The commenter asks TDI to clarify that IRO review is limited to the exemption denial as a singular determination, and that the IRO conduct an aggregate evaluation, rather than adjudicating each underlying adverse determination on the merits.

Agency Response. TDI disagrees that the IRO rules are inconsistent with the review contemplated by the statute. Insurance Code §4201.656 provides a right to independent review of an "adverse determination regarding a preauthorization exemption." Insurance Code §4201.002 defines an "adverse determination" in relation to whether the health care services provided or proposed are medically necessary, appropriate, experimental, or investigational. Section 4201.401 also references an IRO's determination in relation to the medical necessity or appropriateness, or to the experimental or investigational nature, of health care items and services. If the IRO were required simply to review the exemption denial, it is unclear what the reviewer would look at beyond the calculation of the number of preauthorization requests approved, divided by the total number of preauthorization requests. Such a cursory review would not involve an inquiry into the medical necessity, appropriateness, experimental nature, or investigational nature of the health care item or service and would not require the clinical expertise of IRO reviewers. TDI also disagrees that the proposal creates cost concerns, because an IRO review of a rescission or denial is a singular determination, even if the review looks at multiple claims or preauthorization requests.

Comment. One commenter raises concerns with provisions in §12.601(f) that specify that a preauthorization request that was adversely determined is not eligible for an independent review if it was previously upheld by an external reviewer or IRO. The

commenter is concerned about the possibility of gamesmanship in the scope of adverse determinations that are presented by issuers or utilization review agents (URAs) as eligible for IRO review. The commenter asks that the rule:

- before allowing previously upheld records to be excluded from a sample, require issuers and IROs to demonstrate that such determinations were 1) for the same service, 2) evaluated using appropriate criteria, and 3) not a result of incomplete records;

- require issuers to provide the full universe of eligible adverse determinations when a physician or provider requests an IRO to consider another random sample of claims and authorize IROs to conduct their own random sampling; and

- require minimum standards to ensure true random sampling by the IRO.

Agency Response. TDI declines to make a change and disagrees that the IRO's role is to verify "whether a previously upheld adverse determination is comparable to the particular health care service at issue." Under 28 TAC §19.1730(4), the definition of an eligible preauthorization request makes clear that "if a preauthorization request includes more than one particular health care service, the outcome for each service must be counted separately for the purposes of an evaluation." Under 28 TAC §19.1732(e)(3), the denial notice already requires issuers to identify each adverse determination included in the evaluation and whether it was appealed to the URA or to an external reviewer or IRO. Therefore, recipients of a denial notice can directly identify whether they have any concerns with the scope of preauthorization requests that formed the basis of an evaluation. For cases that were previously appealed to an IRO or external reviewer, the physician or provider already had the opportunity to submit additional records and confirm that the adverse determination was based on appropriate criteria. As stated previously, TDI is not aware of any issues that necessitate additional rules on random sampling.

STATUTORY AUTHORITY. TDI adopts amendments to §12.601 under Insurance Code §§4201.003, 4202.002 and 36.001.

Insurance Code §4201.003 authorizes the commissioner to adopt rules to implement Insurance Code Chapter 4201.

Insurance Code §4202.002 provides that the commissioner adopt standards and rules for the operation of independent review organizations.

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

§12.601. Preauthorization Exemptions.

(a) In this section, the following words and terms have the following meanings unless context clearly indicates otherwise.

(1) Adverse determination regarding a preauthorization exemption--Has the same meaning as defined in §19.1730 of this title (relating to Definitions).

(2) Issuer--Has the same meaning as defined in §19.1730 of this title.

(3) Physician--Has the same meaning as defined by Insurance Code §843.002, concerning Definitions.

(4) Preauthorization exemption--Has the same meaning as defined in §19.1730 of this title.

(5) Provider--Has the same meaning as defined in Insurance Code §843.002.

(b) An independent review of an adverse determination regarding a preauthorization exemption, the independent review organization (IRO) that performs the review, and the appropriate issuer are subject to Insurance Code Chapter 4201, Subchapter N, concerning Exemption from Preauthorization Requirements for Physicians and Providers Providing Certain Health Care Services, and the associated standards and requirements in this chapter, except as otherwise specified in this section.

(c) For purposes of this section, a physician or provider should be identified using the National Provider Identifier under which a physician or provider makes preauthorization requests.

(d) Notwithstanding §12.501 of this title (relating to Requests for Independent Review), an issuer must submit a request for independent review of an adverse determination regarding a preauthorization exemption to the department on behalf of a physician or provider.

(e) For a review of a rescission of a preauthorization exemption, if a second random sample is requested under Insurance Code §4201.656(d), concerning Independent Review of Exemption Determination, and available as provided in §19.1733(e) of this title (relating to Utilization Reviews and Appeals of Preauthorization Exemption Denials and Rescissions), the IRO must identify, from the list of eligible claims provided by the issuer, a second random sample of at least five and no more than 20 claims. The IRO must review each claim that the issuer retrospectively reviewed and determined did not meet the applicable medical necessity criteria and, if applicable, each claim included in the second random sample identified by the IRO. Consistent with Insurance Code §4201.656(b), the IRO may request any medical records needed to evaluate the claims subject to review and must provide at least three business days for receipt of records. Based on the total number of claims in the initial random sample and, if applicable, the second random sample, the IRO must determine whether to affirm or overturn the issuer's determination that less than 90% of the claims met the applicable medical necessity criteria.

(f) For a review of a denial of a preauthorization exemption, if the denial notice provided by the issuer identifies five or fewer adverse determinations that have not previously been upheld by an IRO or external reviewer, the IRO must review all adverse determinations included on the denial notice that were not previously upheld by an IRO or external reviewer. Consistent with §19.1733(f) of this title, if the denial notice identifies more than five adverse determinations that have not previously been upheld by an IRO or external reviewer, the IRO may select a random sample of at least five and no more than 20 adverse determinations to review that were not previously upheld by an IRO or external reviewer. If the IRO determines that one or more of the adverse determinations reviewed met the medical necessity criteria and should have been approved, the IRO must calculate an adjusted approval rate to determine whether the denial of preauthorization exemption is overturned. Figure: 28 TAC §12.601(f) contains illustrative guidance on how to calculate an adjusted approval rate consistent with this section.
Figure: 28 TAC §12.601(f)

(1) To calculate the adjusted number of approved preauthorization requests, multiply the percent of the adverse determinations reviewed that the IRO determines should have been approved by the number of preauthorization requests included in the evaluation that were adversely determined, and add that product to the number of preauthorization requests that were approved during the evaluation period.

(2) To calculate the adjusted approval rate, divide the adjusted number of approved preauthorization requests by the total number of preauthorization requests.

(3) If the adjusted approval rate is 90% or higher, the denial is overturned and the issuer must grant the preauthorization exemption.

(g) Appeals for an adverse determination regarding a preauthorization exemption to an IRO follow the department's process for assigning IROs under §12.502 of this title (relating to Random Assignment), except that notification under §12.502(a) will only be made to the IRO, the issuer, and the physician or provider.

(h) Section 12.206 of this title (relating to Notice of Determinations Made by Independent Review Organizations) does not apply to a review by an IRO under this section. An IRO must complete its review and provide timely notice to an issuer regarding its determination, consistent with the timeframe provided under Insurance Code §4201.656(c).

(i) For the purposes of this section, the term "external reviewer" refers to an entity that conducts external review under 45 CFR §147.136, concerning Internal Claims and Appeals and External Review Processes.

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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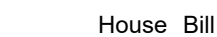

CHAPTER 19. LICENSING AND REGULATION OF INSURANCE PROFESSIONALS

The commissioner of insurance adopts amendments to 28 TAC §19.1006 and §19.1028, concerning licensee continuing education courses; §§19.1702, 19.1705, 19.1706, 19.1709, and 19.1710, concerning health plan utilization reviews; §§19.1730 - 19.1733, concerning preauthorization exemptions; §19.1801 and §19.1803, concerning prior authorization request forms; and §§19.2005, 19.2006, 19.2009, and 19.2010, concerning utilization reviews for workers' compensation insurance. TDI also adopts new §19.1734, concerning an annual collection of preauthorization exemption data.

Amendments to §§19.1702, 19.1706, 19.1730, 19.1801, and 19.1803 are adopted without changes to the proposed text published in the May 15, 2026 issue of the *Texas Register* (51 TexReg 3320). These sections will not be republished. Sections 19.1006, 19.1028, 19.1705, 19.1709, 19.1710, 19.1731 - 19.1734, 19.2005, 19.2006, 19.2009, and 19.2010 are adopted with changes in response to public comment, and to make nonsubstantive changes to the proposed text. These include changes to update punctuation and grammar, reflecting current agency drafting style and plain language preferences. These sections will be republished.

REASONED JUSTIFICATION. The new and amended sections are necessary to implement legislation.

House Bill 2221, 89th Legislature, 2025, reorganized Insurance Code provisions related to rebating and unlawful inducements by repealing certain provisions in Insurance Code Chapter 541 and enacting similar provisions in new Insurance Code Chapter 1702. To conform to HB 2221, §19.1006 and §19.1028, which reference Insurance Code Chapter 541, are amended to also reference Insurance Code Chapter 1702.

Senate Bill 815, 89th Legislature, 2025, prohibits a utilization review agent (URA) from using an automated decision system to make an adverse determination. To implement this provision, §19.1705(d) and §19.2005(d) are amended to reference new Insurance Code §4201.156. SB 815 also modifies the required contents of adverse determination notices. To implement these changes, §19.1709(c) and §19.2009(b) are amended to conform to Insurance Code §4201.303.

Senate Bill 644, 83rd Legislature, 2013, created Insurance Code §1369.254(b), later recodified as §1369.304(b), and Senate Bill 1216, 83rd Legislature, 2013, created Insurance Code §1217.004(b), which require issuers to exchange prior authorization requests electronically with a physician or provider who initiates a request electronically. These requirements apply "not later than the second anniversary of the date national standards for electronic prior authorization of benefits are adopted." The Centers for Medicare & Medicaid Services recently adopted 45 CFR §156.223, which requires qualified health plans to maintain electronic systems for prior authorization that meet federal standards. By establishing national electronic prior authorization standards and requiring commercial health plans to use those standards, the federal rules trigger the implementation of corresponding Insurance Code provisions. The amendments add a reference to Insurance Code Chapter 1217 in §19.1702 and amend §19.1705 to add new subsection (g) to implement §1217.004 and §1369.304 consistent with the implementation dates provided in the federal rules at 45 CFR §156.223.

House Bill 3812, 89th Legislature, 2025, amended Insurance Code §4201.152 to specify that a physician who directs utilization review may not hold a license to practice administrative medicine. To implement this provision, requirements in §19.1706 (for health plans) and §19.2006 (for workers' compensation), related to URA personnel, are amended by adding a reference to Insurance Code Chapter 4201, and by adding a new subsection (f).

HB 3812 also amended provisions in Insurance Code Chapter 4201, Subchapter N, related to preauthorization exemptions. To implement these changes, amendments in §§19.1730 - 19.1733:

- add a definition for "affiliate" and revise the definitions of "adverse determination regarding a preauthorization exemption" and "evaluation";

- modify the definition of "evaluation period" by raising the period from six months to one year;

- require evaluations to include preauthorization requests submitted to either an issuer or its affiliate, and to include requests regardless of whether the request was made in connection with a plan subject to Insurance Code Chapter 4201, Subchapter N;

- clarify the requirements for review of fewer than five claims;

- update the evaluation time periods;

- add requirements addressing notice of a denial of a preauthorization exemption; and

- permit a physician or provider to appeal an exemption denial to an independent review organization (IRO).

Consistent with new Insurance Code §4201.660, new §19.1734 specifies data submission requirements for issuers to report annual data and provides, consistent with Insurance Code §4201.660(b), that the reports are public information subject to disclosure under the Public Information Act, Government Code Chapter 552. In a separate rulemaking published in this issue of the *Texas Register*, TDI adopts amendments to 28 TAC §12.601 to address the independent review process related to denials of preauthorization exemptions.

HB 4611 reorganized Medicaid provisions in the Government Code by repealing Chapter 533 and adding new Chapter 540. To conform to this bill, §19.1801 and §19.1803 are amended to remove outdated references to Government Code Chapter 533 and replace them with references to Government Code Chapter 540.

SB 1296 made nonsubstantive changes and corrections, including redesignating Insurance Code Chapter 1369, Subchapter F--as added by SB 644--as Insurance Code Chapter 1369, Subchapter G. To conform to this change, the rule amends §19.1803(7) to correct a code reference.

Unrelated to specific legislation, the amendments include some minor changes to utilization review provisions. Screening criteria requirements in §19.1705 are amended to clarify that screening criteria must not be more restrictive than the Insurance Code's coverage standards. To increase transparency for recipients of adverse determination notices, TDI proposed amending the notice requirements in §19.1709 to require inclusion of either the name or national provider (NPI) identifier of the physician or provider who made the adverse determination. However, in response to comments, this part of the proposal is not adopted.

Also in response to comments, TDI is not adopting proposed changes to §19.1710 and §19.2010 related to providing a "reasonable opportunity" for the physician or provider to discuss the treatment plan before an adverse determination.

Descriptions of the adopted new and amended sections follow.

Subchapter K

Section 19.1006. An amendment to §19.1006 adds new subparagraph (D) to subsection (a)(8) regarding topics that are approved for continuing education courses for licensees. Subsequent subparagraphs are redesignated to reflect addition of the new subparagraph. This addition references Insurance Code Chapter 1702, which was added under HB 2221. HB 2221 also repealed Insurance Code §§541.056 - 541.058, and it created similar provisions within new Insurance Code Chapter 1702. The reference to Insurance Code Chapter 541 in current §19.1006(a)(8)(A) is retained, as there are other provisions in Insurance Code Chapter 541 that are not repealed and thus continue to apply. Subsection (a)(8)(E), as redesignated, is amended to correct the title of a statutory citation.

Subsection §19.1006(f) as proposed is changed to update a citation to §19.1028. Rather than referencing subsection (g)(1) - (4), the citation simply references §19.1028. This change promotes regulatory efficiency by reducing the likelihood that future rule changes will be needed simply to update cross-references.

Section 19.1028. An amendment to subsection §19.1028(g) expands the subjects that must be included in an annuity certification course outline to reference Insurance Code Chapter 1702, which was added by HB 2221. The reference to Insurance Code §§541.051 - 541.061 is retained, as there are some provisions that continue to apply. Amendments to the section also change "shall" to "must" each place where the word appears in subsections (c) - (e); change "subchapter" to "title" in subsections (b), (c)(1), (d), and (f); and remove unnecessary uses of the word "the" in subsection (g)(1), (2), and (5), for consistency with agency rule drafting style.

As proposed, a reference to Insurance Code Chapter 1702 is added in new paragraph §19.1028(g)(3), which caused subsequent paragraphs to be redesignated as (g)(4) and (5). However, this would have created incorrect citations in §19.1009(f) and §19.1029(d)(2), which reference §19.1028(g)(1) - (4) and were not proposed for amendment. To avoid this issue, the text as proposed is changed to combine the new reference to Insurance Code Chapter 1702 with existing §19.1028(g)(2), rather than adding a new paragraph. This change removes the need to redesignate §19.1028(g)(3) and (4).

Subchapter R, Division 1

Section 19.1702. Subsection (b) of §19.1702 is amended to add a reference to Insurance Code Chapter 1217. This addition clarifies that Insurance Code Chapter 1217, regarding the standard request form for prior authorization of health care services, applies to Subchapter R. In addition, an amendment adds the title of Insurance Code Chapter 4201 to subsection (a), for consistency with agency rule drafting style.

Section 19.1705. Subsections (b) and (c) of §19.1705 are amended to add titles to the Insurance Code citations to conform to agency style and enhance readability.

Amendments to subsection (c) also specify that screening criteria must not be more restrictive than the coverage standards in Insurance Code Title 8, Subtitle E. In recent years, legislation has added coverage standards that constrain or interact with health plan screening criteria. This change is necessary to remind utilization review agents that screening criteria must comply with Texas requirements.

To implement SB 815, subsection (d) was proposed to be amended to reference new Insurance Code §4201.156. Current subsection (d) requires a referral to a physician or other health care provider with appropriate credentials to make adverse determinations. The added reference would have clarified that these determinations must be consistent with the prohibition in §4201.156, effective January 1, 2026, against using automated decision systems to make an adverse determination. In response to comments, the reference to Insurance Code §4201.156, which was proposed to be added into an existing requirement to refer adverse determinations to an appropriate physician or provider, is replaced with a reference to Insurance Code §4201.153. The reference to §4201.156 is instead added as a new sentence specifying that a URA may not use an automated decision system to make, wholly or partly, an adverse determination.

Subsection (g) is added to implement Insurance Code §1217.004 and §1369.304, consistent with SB 1216 and SB 644. It requires an issuer to maintain an electronic prior authorization system that meets national standards, consistent with the implementation dates identified in 45 CFR §156.223. The Insurance Code provisions require plans to make electronic prior

authorization available "not later than the second anniversary of the date national standards for electronic prior authorization of benefits are adopted." In February 2024, the Centers for Medicare and Medicaid Services (CMS) adopted 45 CFR §156.223 regarding prior authorization requirements. Subsection (b) requires qualified health plans to use application programming interfaces (APIs) to make various types of information and transactions available electronically, including an API that "supports a HIPAA-compliant prior authorization request and response." The federal rule applies to plan years beginning on or after January 1, 2027. The CMS rule originally provided an exception for prescription drugs because necessary standards for prescription drugs were still under development. Those standards have now been proposed for update, and on April 14, 2026, CMS proposed a rule (www.federalregister.gov/documents/2026/04/14/2026-07205/medicare-and-medicaid-programs-patient-protection-and-affordable-care-act-interoperability-standards) to apply the requirements to prescription drugs, subject to a later implementation date. *See* 91 FR 19890 (April 14, 2026) (proposed to be codified at 42 CFR Parts 403, 422, 431, 438, 440, and 457; 45 CFR Parts 156, 162, and 170). While subsection (g) as proposed only referenced Insurance Code §1217.004, the provision is changed to also reference Insurance Code §1369.304, consistent with the consideration noted in the proposal's preamble. This change avoids the need for a separate rulemaking effort at a future date. The proposed text also is changed to replace the deadline of January 1, 2027, with a reference to the implementation dates provided in 45 CFR §156.223 and removes references to the term "health care services." These changes ensure that the statute is implemented and that state standards and implementation timeframes are closely aligned with federal rules. Subsection (g) as proposed is amended by adding a reference to the definition of "health care services" to clarify the meaning of the term in the subsection.

Section 19.1706. To implement the personnel provisions in HB 3812 and other legislation that has specified physician licensure requirements, subsection (a) is amended to reference Insurance Code Chapter 4201, and new subsection (f) is added to require utilization review to be conducted under the direction of a physician licensed in Texas, consistent with Insurance Code §4201.152, which, in addition, prohibits the physician from holding a license to practice administrative medicine. This aligns with a corresponding provision in §19.2006. Nonsubstantive amendments are made in subsections (a)(1) and (e) to correct legal citations and add title references to conform to agency style.

Section 19.1709. To implement SB 815, the elements required in an adverse determination notice under subsection (c)(3) are amended to align with Insurance Code §4201.303(a), which requires both a description and the source of the screening criteria and review procedures used in the determination. In response to comments, TDI does not adopt amendments proposed in subsection (c)(4), which would have required URAs to include either the name or the NPI of the physician, doctor, or other health care provider that made the adverse determination.

Nonsubstantive amendments are made in subsections (b), (e), and (f) to add titles to Insurance Code references to conform to agency style, change "C.F.R." to "CFR" in subsection (e)(2), and to make "time frame" or "time frames" one word in subsections (e)(3), (e)(4), and (f)(1).

Section 19.1710. To reflect plain language and align with the definition of "reasonable opportunity" in §19.1703, the phrase "prior to the issuance of" is replaced with "before issuing." In response to comments, TDI does not adopt proposed new subsection (b) or redesignate existing text as subsection (a).

Subchapter R, Division 2

Section 19.1730. Amendments to §19.1730 add the defined term "affiliate" to align with Insurance Code §4201.651, renumber subsequent definitions to reflect addition of the new defined term, renumber internal paragraph references to reflect the renumbered definitions, and amend certain definitions to conform to changes made by HB 3812.

The definition of "adverse determination regarding a preauthorization exemption" is amended to broaden the term to include adverse determinations in connection with a denial of a preauthorization exemption, in addition to a rescission, and preauthorization requests in addition to claims. The definition of "eligible preauthorization request" is amended to include preauthorization requests submitted to an issuer or an affiliate of the issuer, regardless of whether the request was made in connection with a policy or plan subject to Insurance Code Chapter 4201, Subchapter N. The definition of "evaluation" is amended to reference the evaluation threshold of five eligible preauthorization requests and specify that all preauthorization requests submitted to the issuer or its affiliate must be included. The definition of "evaluation period" is amended to permit an issuer to determine the evaluation period for a determination issued on or after September 1, 2025, as long as the end of the evaluation period is not more than 12 months from the last day of the previous evaluation period. References to a six-month evaluation period are updated to a 12-month period to align with HB 3812.

To simplify the contents of the definition, the requirement limiting the amount of time between the ending of the evaluation period and the provision of the notice of a preauthorization exemption rescission is removed from §19.1730(6)(C) and a similar provision is added to §19.1732(d). Conforming changes are made to paragraph cross-reference citations to reflect this change.

Section 19.1731. Subsection (b) of §19.1731 is amended to clarify that the evaluation requirement applies to all eligible preauthorization requests submitted to the issuer or its affiliate. References to when requests are finalized are removed to avoid duplication with the definition of "eligible preauthorization request." Subsection (c) is amended to clarify the number of claims that must be reviewed to rescind an exemption, depending on whether there are at least five claims available for review. Also, a conforming change is made to a cross-reference citation to reflect the renumbering of definitions in §19.1730. For ease of reading, proposed new text in subsection (c) is changed to organize it into paragraphs (1) and (2).

Section 19.1732. Subsection (a) of §19.1732 is amended to remove the requirement for an exemption to be in place at least six months, since HB 3812 provides a longer timeframe.

Subsection (b) is amended to require denial and rescission notices to comply with §19.1732 and specify that sample forms are available on TDI's website at www.tdi.texas.gov/forms. Also, language in subsection (b) concerning denial notice requirements is removed because more detailed requirements are provided in new subsection (e). The proposed reference to forms LHL011 and LHL012 is changed to use the word "sample" instead of "example."

Subsection (c) is amended to remove the initial evaluation period and notice deadlines, which have now passed and are no longer relevant, and to update a cross-reference citation to re-

flect the renumbering of definitions in §19.1730. This provision replaces the two-month-notice requirement previously contained in §19.1730(6)(C), as redesignated. Since HB 3812 modified Insurance Code §4201.655(a)(1) to allow a rescission to occur only in January (instead of January or June), this additional month will give issuers more time to evaluate and process proposed rescissions. Subsection (d) also is amended to remove the reference to a sample form, which is now provided in subsection (b), and to remove a duplicative issue date requirement from paragraph (2). Subsection (d) as proposed is changed to clarify that the rescission notice must be provided within three months following the last day of the evaluation period. In addition, a reference to the title of Insurance Code §4201.655 is added to the subsection.

To correct grammar and readability, a nonsubstantive change is made to subsection (d)(3)(C) by relocating the word "to."

Previous subsection (e) is redesignated as subsection (f), and new subsection (e) is added to specify the requirements for notifying a physician or provider that their request for a preauthorization exemption is denied. The new notice requirements implement Insurance Code §4201.656(a), as amended by HB 3812, and include information about the preauthorization requests that were evaluated under Insurance Code §4201.656)(c) and how to request an independent review of the denial. A grammatical change is made to new subsection (e)(3)(B) as proposed to make the word "result" plural.

Section 19.1733. The title of §19.1733 is amended to conform with HB 3812 by replacing "retrospective" with "utilization" and adding a reference to denials of preauthorization exemptions.

Subsection (b) is amended to update a cross-reference citation to reflect the renumbering of definitions in §19.1730.

Subsection (c) is amended to clarify that the subsection applies when a physician or provider receives a notice of rescission or denial and clarifies the deadlines for a physician or provider to request an independent review of a denial or a rescission of a preauthorization exemption. To aid in readability, subsection (c) as proposed is modified to create two paragraphs to separately describe the different submission dates that apply to requests for review of a denial versus review of a rescission.

Subsection (d) is amended to broadly reference "an adverse determination regarding a preauthorization exemption," which includes both rescissions and denials of preauthorization exemptions, and to expand a reference to a rescission to add "or denial," to align with Insurance Code §4201.656(a) as amended by HB 3812. A reference to §19.1732 is corrected to remove a reference to subsection (c) since the forms to request an independent review are addressed in subsections (b), (d), and (e). In the context of a denial of a preauthorization exemption, the physician or provider already would have had the opportunity to appeal to an IRO for each adverse determination included in the evaluation. Subsection (d) is also amended to clarify that an adverse determination that was previously appealed to and upheld by an IRO is not eligible for a subsequent independent review. To conform to agency style, subsection (d) is amended to add the title of an Insurance Code citation.

New subsection (f) is added to explain the scope of the IRO's review for a denial of a preauthorization exemption, with reference to 28 TAC §12.601(f). To ensure that it is feasible for an IRO to meet the deadline provided in Insurance Code §4201.656(c), subsection (f) permits an IRO to review a random sample of at least five but not more than 20 adverse determinations. Subsection (f) also clarifies that an IRO's determination of an adverse determination reviewed in connection with a preauthorization denial does not impact the status of the original preauthorization request. Subsection (f) as proposed is changed to clarify that the IRO will only review adverse determinations that were not previously upheld by an IRO or external reviewer.

The previous subsection (f) and subsequent subsections are redesignated to reflect the addition of new subsection (f).

Section 19.1734. New §19.1734 is added to specify reporting requirements, consistent with Insurance Code §4201.660, as added by HB 3812. Subsection (a) requires submission of a report with an annual due date of March 1, as specified on TDI's website. TDI intends to collect the data using a JSON file format submitted through a TDI portal similar to other TDI data calls and will make a JSON file schema available after the rule is adopted on www.tdi.texas.gov/webinfo/datacall.html. Subsection (b) specifies the contents of the report, including the issuer's name, National Association of Insurance Commissioners (NAIC) number, and contact information; name and NAIC number of each affiliate of the issuer; the number of particular health care services requiring preauthorization; the number of in-network physicians and providers; and the number of in-network physicians and providers receiving at least one preauthorization exemption.

TDI modifies subsection (b)(1) as proposed to require the issuer to provide direct links to the websites where the issuer posts preauthorization data as required under other state and federal reporting requirements. TDI also modifies subsection (b)(2) as proposed to clarify that if an affiliate does not have an NAIC number, the issuer should report the affiliate's license number.

As proposed, subsection (b)(3) would have required the issuer to report the number of prior authorization requests submitted during the previous year to the issuer and each affiliate under each applicable line of business. In response to comments expressing concern that such data would duplicate other state and federal reporting requirements related to prior authorization, TDI modifies subsection (b)(3) to require issuers to identify each applicable line of business that is included within the issuers' preauthorization exemption evaluations, rather than reporting the number of prior authorization requests for each line of business. Identification of each line of business included in the issuer's preauthorization exemption evaluations will allow TDI to ensure compliance with Insurance Code §4201.653(a-1) and provide context for policymakers on the scope of affiliates and lines of business included based on the statutory change. Lines of business include insurance products subject to Insurance Code Chapter 4201, Subchapter N, consisting of major medical and vision coverage; HMO products subject to Insurance Code Chapter 4201, Subchapter N, consisting of major medical, vision, and dental coverage; insurance and HMO products *not* subject to Insurance Code Chapter 4201, Subchapter N, consisting of major medical, vision, and dental coverage; Medicaid managed care; the Children's Health Insurance Program (CHIP); Medicare Advantage; and administrative services only, consisting of services in connection with major medical, vision, and dental coverage.

Subsection (b)(7) specifies the data that must be submitted concerning exemptions for each particular health care service, including the number of new evaluations conducted and how many preauthorization exemptions were granted versus denied as a result; the number of exemptions in place that were previously granted, how many were evaluated, and how many were rescinded; and the number of appeals that were requested for denials or rescissions, and how many denials and rescissions were

upheld or overturned on appeal. TDI modifies subsection (b)(7) as proposed to clarify that exemption data must be reported for each particular health care service that is subject to a preauthorization requirement and that the service must be identified with a description and the associated billing codes.

Subsection (c) states that a report submitted under §19.1734 is public information under the Public Information Act, Government Code Chapter 552.

Subchapter S

Section 19.1801. To implement HB 4611, which reorganized Medicaid provisions in the Government Code, §19.1801 is amended to remove the outdated reference to Government Code Chapter 533. The amendments simply reference Insurance Code Chapter 1217 and Chapter 1369, Subchapter G, rather than restating the statutory applicability provisions.

Section 19.1803. Paragraph (6)(B)(iii) of §19.1803 is amended to reference Government Code Chapter 540, instead of Chapter 533, which was repealed and replaced by HB 4611. Paragraph (7) is amended to replace a reference to Insurance Code §1369.252 with a reference to Insurance Code §1369.302 because the section was redesignated in 2015 by SB 1296. To conform to agency style, paragraphs (6) - (8) are amended to add titles to statutory citations.

Subchapter U

Section 19.2005. To implement SB 815, subsection (d) is amended to reference new Insurance Code §4201.156. Nonsubstantive amendments are made in subsections (c) - (e) to add titles to statutory citations to conform to agency style.

In response to comments, the reference to Insurance Code §4201.156, which was proposed to be added to an existing requirement in subsection (d) to refer adverse determinations to an appropriate physician or provider, is changed by replacing it with a reference to Insurance Code §4201.153. A reference to §4201.156, which specifies that a URA may not use an automated decision system to make, wholly or partly, an adverse determination, is instead added as a separate sentence. Also, in response to comments, subsection (a) as proposed is modified to specify that the utilization review plan must be reviewed and approved by a physician "licensed to practice medicine in Texas." This is consistent with the corresponding provision in §19.1705(a) and Insurance Code §4201.151.

Section 19.2006. To implement the personnel provisions in HB 3812 and other legislation that has specified physician licensure requirements, subsection (a) is amended to reference Insurance Code Chapter 4201. Nonsubstantive amendments to subsection (a) are made to add or correct titles to statutory citations to conform to agency style and to correct an outdated rule citation. The text of subsection (a) as proposed is changed to correct a reference to the title for Labor Code §408.0043.

Subsection (e) is amended to add a requirement that utilization review conducted by a URA under the direction of a physician be "consistent with Insurance Code §4201.152."

Section 19.2009. To implement SB 815, the elements required in an adverse determination notice under subsection (b)(7) and (8) are amended to align with Insurance Code §4201.303(a), which requires both a description of and the source of the screening criteria and review procedures used in the determination. To conform to agency style, a nonsubstantive amendment is made to a federal code citation in subsection (a)(4) and a title is added to a code reference in subsection (b)(8).

The text of subsection (b)(6) as proposed is changed to correct a reference to the title of §19.2011.

Section 19.2010. To reflect plain language and align with the definition of "reasonable opportunity" in §19.2003, the phrase "prior to the issuance of" is replaced with "before issuing." In response to comments, TDI does not adopt proposed new subsection (b) or redesignate existing text as subsection (a).

SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI provided an opportunity for public comment on the rule proposal for a period that ended on June 17, 2026.

Commenters: TDI received comments from six commenters, and one of the commenters spoke at a public hearing on the proposal held on June 15, 2026. Commenters in support of the proposal with changes were Agendia, Inc.; Elevance Health, Inc.; Texas Association of Health Plans; Texas Medical Association; Texas Hospital Association; and Quest Diagnostics. TDI received one comment letter after the comment period closed that was not considered.

Comments on Chapter 19, Subchapter R--date of service

Comment. Two commenters raise general concerns with the rules in Chapter 19, Subchapter R, and health plan practices as they relate to "date of service" policies and laboratory testing. They state that the proposal overlooks the unique position of some laboratories and cancer testing companies that provide services downstream from the provider's prior authorization request. The commenters note that many payors follow a Medicare rule specifying that the "date of service" is the date a specimen is collected. For lab services, a specimen is often collected in a health care provider's office, and the provider sometimes does not obtain a preauthorization before collecting the specimen and sending it to the lab. In many cases, for the stability of the sample and the health of the patient, labs need to promptly conduct the ordered test, even if preauthorization has not yet been obtained. Some follow-up tests are conducted on the same biopsy sample and cannot be ordered until the doctor receives the results from the initial test.

The commenters note that these policies sometimes result in administrative denials for lack of preauthorization or in the treatment of preauthorization requests as retrospective reviews. To address these concerns, the commenters ask TDI to amend the rules to allow a preauthorization request for clinical laboratory services to be submitted and considered at any time prior to final claim submission, and to prohibit a plan from denying a preauthorization request for a laboratory service solely because it was submitted after the "date of service."

To prevent a laboratory from being unfairly penalized with nonpayment, one of the commenters asks TDI to specify that an order for laboratory services from an in-network provider be considered "plan-directed care" and fully payable by the health plan.

The other commenter asks TDI to clarify that laboratories, when authorized by the ordering provider, can support or obtain prior authorization for some tests. The commenter states that allowing the laboratory to do this would reduce administrative burden on treating physicians, and would help ensure that the entity most familiar with the test and documentation can facilitate a complete and timely submission.

Agency Response. TDI declines to make the requested changes because they are outside the scope of the proposed rules. TDI agrees that health plan administrative requirements should acknowledge the unique nature of laboratory services and encourages health plans to ensure that administrative systems do not result in improper denials for medically necessary services simply based on lack of preauthorization. If a health plan is performing a retrospective review, such review must be completed within the applicable prompt pay periods (*see* Insurance Code §4201.305).

Laboratories can file complaints with TDI if health plans are issuing inappropriate denials or failing to process claims timely. TDI also encourages clinical laboratories to raise these concerns with health plans within the contracting process, so that payment terms and provider manuals clarify the responsibilities of ordering providers and clinical laboratories for preauthorization requirements and specify how "date of service" should be defined for laboratory services.

Comment on §19.1702

Comment. One commenter supports the amendments to §19.1702 that incorporate a reference to Insurance Code Chapter 1217, regarding the standard request form for prior authorization of health care services. The commenter agrees with TDI's statement that this addition clarifies that Chapter 1217 applies to Chapter 19, Subchapter R.

Agency Response. TDI appreciates the commenter's support.

Comments on §19.1705(c)

Comment. Two commenters support the proposed amendment in §19.1705(c), which specifies that screening criteria "must not be more restrictive" than Insurance Code coverage standards. However, one commenter raises concerns about potential confusion based on the statement in the public benefit and cost note for the rule proposal that the provision will have the benefit of ensuring that screening criteria is "no less restrictive" than Insurance Code coverage standards. The commenter recommends alignment between all explanatory and supporting text, and the rule language.

Agency Response. TDI appreciates the commenters' support and apologizes for the error in the Public Benefit and Cost note. The error was contained in the explanatory section of the rule proposal and not in the proposed rule text; a change in the rule is not necessary. That incorrect wording in the explanatory section should not be interpreted to change the meaning or intent of the rule text in §19.1705(c).

Comments on §19.1705(d) and §19.2005

Comment. One commenter supports the amendments to §19.1705(c) and (d), while another expresses concerns that the amendments to §19.1705(d) and §19.2005(d) do not adequately implement Insurance Code §4201.156.

The commenter who expresses concerns first opposes proposed added language in subsection (d), stating that the proposed placement of the new text referencing Insurance Code §4201.156 could create confusion about the source of the requirement for an adverse determination to be referred to an appropriate physician to determine medical necessity. The commenter suggests that §19.1705(d) and §19.2005(d) instead reference Insurance Code §4201.153. Second, the commenter provides example rule text and urges TDI to include more extensive limits in the usage of automated decision systems (ADS). The commenter also recommends that a new subsection (d)(1) be added to both rules to more accurately reflect the separation of the statutory screening and ADS provisions. The commenter suggests including limits on ADS usage in §19.1705(d) and §19.2005(d) that would:

- Provide a non-exhaustive list of when an ADS is used to make, wholly or partly, an adverse determination, such as using a system that:

-- suggests acceptance of a denial of or reduction in services by a human reviewer;

-- prompts the human reviewer with a prepopulated finding or denial rationale;

-- scores requests in a way that increases the probability of an adverse determination, including by incorporating non-clinical factors in the information considered by the automated decision system;

-- filters or selectively presents clinical information in a manner likely to bias the human reviewer toward an adverse determination; or

-- pressures a reviewer to reach a particular outcome or meet a quota, steers the reviewer's judgment toward a denial, or interferes with the reviewer's judgment.

- Clarify what constitutes permissible or prohibited administrative support.

- Limit fraud-detection functions and clarify who may determine whether fraud exists.

- Require auditable controls that prevent automated outputs from steering reviewers toward denials, including controls that:

-- require monitoring of workflow features that may increase adverse-determination rates or suppress meaningful reviewer overrides;

-- address procedures for the audit and inspection of a URA's use of an automated decision system;

-- require maintenance of a log on when an automated decision was used, who accessed or reviewed the output, and the final determination made;

-- require implementation of technical and administrative safeguards to prevent predisposing a reviewer toward an adverse determination;

-- require retention of records for at least seven years and require making them available to the commissioner on request for audit or inspection to determine compliance; and

-- require URAs to certify annually that they have implemented and tested controls to ensure compliance.

- Clarify that third-party entities must comply with applicable requirements and that URAs also remain responsible for compliance; any contract with a third party must require audit cooperation and preservation of necessary information.

- Authorize the commissioner to require production of policies, system documentation, testing results, audit logs, samples of determinations, and other records necessary to evaluate compliance.

The commenter suggests that §19.2005(a) be modified to specify that the utilization review plan be reviewed and approved by

a physician "licensed to practice medicine in Texas," to be consistent with §19.1705(a).

Finally, if TDI rejects the commenter's recommended language, the commenter recommends that TDI include guardrails in the rule that address specified issues.

Agency Response. TDI appreciates the first commenter's support. With respect to the second commenter, TDI agrees in part and modifies subsection (d) in §19.1705 and §19.2005 to first reference Insurance Code §4201.153, and also to add a new sentence to reference and address the requirements of Insurance Code §4201.156. TDI disagrees that it is necessary to include a reference to Insurance Code §4201.156 in a separate paragraph. TDI appreciates the commenter's suggestions regarding ADS but declines to provide more extensive rule provisions at this time. TDI will closely monitor compliance with SB 815, both through complaints and through audits and inspections of automated decision systems within TDI's targeted or triennial examinations.

TDI also agrees with the commenter's suggestion to add the phrase "licensed to practice medicine in Texas" to §19.2005(a), because this change aligns with Insurance Code §4201.151.

Comments on §19.1706 and §19.2006

Comment. One commenter supports the rule's reference to the physician licensure language in HB 3812 but suggests that because Insurance Code §4201.152 is located within Subchapter D, "Utilization Review: General Standards," the implementing rule provisions should be moved from §19.1706 and §19.2006, respectively, to §19.1705 and §19.2005. The commenter is concerned that the placement, as proposed, "risks recasting a structural statutory protection as a personnel rule and, in doing so, understating the role the Legislature assigned to physician direction." The commenter also notes that the rule language requires the physician directing utilization review to be "employed by or under contract with the URA," and questions how this comports with the prohibition on the corporate practice of medicine, particularly the requirement that the physician cannot have a license to practice administrative medicine.

Agency Response. TDI disagrees that the rule's organization weakens the statutory requirement and declines to make the requested change. The rule provisions that permit a URA to employ or contract with a physician have been in place since 2013; TDI defers to the Texas Medical Board for interpretations regarding the corporate practice of medicine.

Comments on §19.1709(c)--URA name or NPI disclosure; notice requirements

Comment. One commenter supports the added changes to subsections (c)(3) and (4) with suggested revisions. The commenter notes that the amendments made to subsection (c)(3) align with Insurance Code §4201.303. The commenter supports the proposed amendment to subsection (c)(4), but suggests expanding it to require the "name, license number, and type of license" of the reviewer, noting that the name alone might not be sufficient to independently verify the information, since some physicians have common names. The commenter states that its recommended change to proposed subsection (c)(4) would streamline appeals, improve accountability, and "promote patient safety without revealing physician information that is not already publicly availably based upon state licensure board information."

Two commenters oppose the amendment proposed in subsection (c)(4), which would require adverse determination notices to include the reviewer's name or NPI. The commenters believe this requirement is not supported by statute and express concern that it could create safety risks for physicians and clinicians who conduct utilization review on behalf of health plans. One commenter notes that the rules already include sufficient documentation requirements to allow TDI to confirm that each reviewer has the required qualifications.

Agency Response. TDI appreciates the first commenter's support for the change to subsection (c)(3), and adopts the subsection as proposed.

In response to the concerns raised by the other commenters, the proposed change to subsection (c)(4) is not adopted. TDI agrees that the requirements in §19.1706(c) and (d) are sufficient to ensure that URAs maintain documentation to demonstrate that each review is conducted by qualified personnel. Also, TDI is already able to request additional information as needed. Within triennial examinations, TDI regularly obtains data that includes the name, license number, and specialty of the physician or provider who issued each adverse determination.

Comments on §19.1710(b) and §19.2010(b)

Comment. Two commenters oppose the amendments to add a new subsection (b) in §19.1710 and §19.2010, because the amendments appear to create an exception under which URAs are no longer required to provide a "reasonable opportunity" for a peer-to-peer discussion if there are fewer than 12 hours available during normal business hours between the time a request is received and the time the determination is to be issued.

One of the commenters says that if TDI does not remove new subsection (b), TDI should consider amending the definition of "reasonable opportunity" provided by an issuer to a provider with respect to the review of the services provided to a hospitalized patient.

The other commenter recommends that TDI consider clarifying proposed subsection (b), taking into account the intent of Insurance Code §4201.206. The commenter offers alternative language that would include deletion of the requirement in proposed subsection (b) that a URA act in good faith to provide a reasonable opportunity to discuss the plan of treatment prior to issuing an adverse determination.

Agency Response. TDI agrees that the statute requires a URA, in all circumstances, to offer a reasonable opportunity for a peer-to-peer discussion, and that the proposed rule could be interpreted to weaken the statutory requirement, which was not TDI's intent. In response to the commenters' concerns, TDI does not adopt the proposed new subsection (b) in §19.1710 or §19.2010.

Comments on §§19.1730 - 19.1734

Comment. One commenter offers support for amendments to §§19.1730 - 19.1733 and new §19.1734, and recommends that TDI adopt the sections as proposed. The commenter raises a concern that health plans may not be issuing preauthorization exemptions to hospitals and asks TDI to confirm that hospitals are considered providers eligible to receive exemptions.

Agency Response. TDI appreciates the commenter's support and will accept and review any information or complaints related to compliance concerns. Hospitals are eligible to receive preauthorization exemptions for any health care services for which the hospital is making the preauthorization request. The term "provider" is defined broadly in Insurance Code Chapter 4201, Subchapter N (specifically, in §4201.651(b)), which references

the definition in Insurance Code §843.002(24). Exemptions are granted under the NPI number by which a physician or provider makes preauthorization requests.

Comment. One commenter asks TDI to amend §19.1730 to prevent denials based on administrative technicalities (if the authorization request otherwise would have been approved on clinical merit) from being counted against the approval rate that is used to determine if a provider qualifies for a preauthorization exemption.

Agency Response. TDI does not make the requested change. No change is needed because this consideration is already addressed in the definition of an eligible preauthorization request under §19.1730(4). Paragraph (4) describes eligible preauthorization requests as those having (among other requirements) "an outcome of either approving the particular health care service or issuing an adverse determination for the particular health care service." Adverse determinations are defined as denials that are based on medical necessity and are distinct from administrative denials. A denial based on a failure to obtain preauthorization is not an adverse determination. Therefore, administrative denials are not included within the calculation of approval rates for the purposes of preauthorization exemption evaluations.

Comment. One commenter requests that TDI clarify and reconsider the requirements in Division 2 of Chapter 19, Subchapter R, for issuers to include claims for affiliated Medicare and Medicaid enrollees when conducting evaluations for preauthorization exemptions. The commenter states that the public programs operate under different statutory and regulatory frameworks and apply different definitions of medical necessity, different preauthorization policies, and distinct clinical criteria established by federal and state authorities. The commenter expresses concern that broadly including all Medicare and Medicaid claims creates a risk of plans granting or denying exemptions on the basis of preauthorization decisions that are not meaningfully comparable to the commercial market that the exemptions apply to. To mitigate this concern, the commenter asks TDI to clarify that claims for Medicare and Medicaid should be included in exemption evaluations only when the utilization review criteria are substantially equivalent to the criteria applied under the issuer's Texas-regulated commercial health plans.

Agency Response. TDI declines to make a change because the rule as proposed is consistent with Insurance Code §4201.653(a-1). However, to monitor any unintended consequences of including Medicare and Medicaid data, TDI encourages issuers to share data with TDI that demonstrates how including Medicare and Medicaid data impacts the preauthorization exemption program. TDI also notes that under §19.1731(4), a preauthorization request is only eligible to be included in an evaluation if it results in an approval or adverse determination for the requested service. If a claim does not require preauthorization or receives an administrative denial as a noncovered service, it would not be eligible to be included in the evaluation.

Comments on §19.1732

Comment. One commenter expresses appreciation for TDI's efforts to implement the preauthorization exemption requirements under SB 3812. The commenter notes concerns that the definition of "random sample" could be much stronger and does not achieve true randomness, and that the rescission notice does not provide enough information for the physician, provider, or IRO to determine whether the sample was actually random. The commenter recommends the rule be revised to require issuers contemplating a rescission to address other elements, including reviewing preauthorization requests submitted during the evaluation period and disclosing the methodology for achieving a "random sample." The commenter requests changes to §19.1732(d)(3) to require the rescission notice to include a detailed, "complete list" (rather than "a statement of the total number") of claims submitted "to an issuer or an affiliate of the issuer," "the methodology for achieving a random sample," and "a statement from [the] issuer attesting to their compliance with the requirement to evaluate a random sample under Insurance Code §4201.655(a)(2)." The commenter requests conforming changes to proposed §19.1732(e)(3).

Agency Response. As the commenter notes, no changes were proposed to §19.1732(d)(3) or the definition of "random sample." Therefore, TDI declines to add the requested new requirements in the adoption as the requested changes are outside the scope of this rulemaking. TDI also declines to make the suggested changes to §19.1732(e)(3). TDI closely monitors complaints about preauthorization exemptions and is not aware of any allegations that issuers are using nonrandom samples to justify rescissions. TDI also disagrees that claims from an issuer's affiliate are relevant to a rescission. The statute's inclusion of affiliate data is limited to preauthorization requests used in an initial evaluation under Insurance Code §4201.653; affiliate data are not included in a rescission evaluation under Insurance Code §4201.655 because the preauthorization exemption applies only to the issuer and not the affiliate.

Comments on §19.1733

Comment. One commenter expresses concern regarding the scope of the review to be performed by an IRO when a provider appeals a denial of a preauthorization exemption. The commenter opposes the requirement for the IRO to review each underlying adverse determination, rather than simply reviewing the exemption denial itself. The commenter states that framing the IRO process as a vehicle for providers to challenge old adverse determinations, many of which have already been resolved through the standard appeals process, mischaracterizes the structure of the review system. The commenter also states that this approach overstates the scope of review the statute contemplates and creates cost concerns because IRO review fees are substantial. The commenter asks TDI to clarify that IRO review is limited to the exemption denial as a singular determination, and that the IRO conduct an aggregate evaluation, rather than adjudicating each underlying adverse determination on the merits.

Agency Response. TDI disagrees that the IRO rules are inconsistent with the review contemplated by the statute. Insurance Code §4201.656 provides a right to independent review of an "adverse determination regarding a preauthorization exemption." TDI defines the term as taking into account the statute's inclusion of the term "adverse determination." Insurance Code §4201.002 defines "adverse determination" in relation to whether the health care services provided or proposed are medically necessary, appropriate, experimental, or investigational. Section 4201.401 also references an IRO's determination in relation to the medical necessity or appropriateness, or to the experimental or investigational nature, of health care items and services.

If the IRO were required simply to review the exemption denial, it is unclear what the reviewer would look at beyond the calculation of the number of preauthorization requests approved, di-

vided by the total number of preauthorization requests. Such a cursory review would not involve an inquiry into the medical necessity, appropriateness, experimental nature, or investigational nature of the health care item or service, and it would not require the clinical expertise of IRO reviewers. TDI also disagrees that the proposal creates cost concerns because an IRO review of a rescission or denial is a singular determination, even if the review looks at multiple claims or preauthorization requests.

Comment. One commenter raises concerns with provisions in §19.1733(d) that specify that a preauthorization request that was adversely determined is not eligible for an independent review if it was previously upheld by an external or independent review organization. The commenter is concerned about the possibility of gamesmanship in the scope of adverse determinations that are presented by issuers or URAs as eligible for IRO review. The commenter asks that the rule be amended to include the following:

- before allowing previously upheld records to be excluded from a sample, require issuers and IROs to demonstrate that the determinations were for the same health care service, evaluated using appropriate criteria, and not a result of incomplete records;

- require issuers to provide the full universe of eligible adverse determinations when a physician or provider requests an IRO to consider another random sample of claims and authorize IROs to conduct their own random sampling; and

- require minimum standards to ensure true random sampling by the IRO.

Agency Response. TDI declines to make a change and disagrees that the IRO's role is to verify "whether a previously upheld adverse determination is comparable to the particular health care service at issue." The IRO's role is to verify whether an adverse determination is appropriate based on clinical guidelines. Under §19.1730(4), the definition of an eligible preauthorization request makes clear that "if a preauthorization request includes more than one particular health care service, the outcome for each service must be counted separately for the purposes of an evaluation." Under §19.1732(e)(3), the denial notice already requires issuers to identify each adverse determination included in the evaluation and whether it was appealed to the URA or to an external reviewer or IRO. Therefore, recipients of a denial notice can directly identify whether they have any concerns with the scope of preauthorization requests that formed the basis of an evaluation. For cases that were previously appealed to an IRO or external reviewer, the physician or provider already had the opportunity to submit additional records and confirm that the adverse determination was based on appropriate criteria. As stated previously, TDI is not aware of any issues that necessitate additional rules on random sampling.

Comment. One commenter notes that laboratories and other ancillary providers often have no face-to-face interaction with the patient, making it operationally unfeasible to secure signatures needed for the release of medical information. The commenter requests that the rules clarify that the health plan is responsible for securing patient consent for the release of information needed for their utilization management processes.

Agency Response. TDI declines to make a change because the issue of securing patient consent is outside the scope of the proposed rule. TDI also notes that the HIPAA privacy rules provide that health care providers generally do not need a patient's authorization to share information with a health insurer for utilization management or payment processes.

Comments on §19.1734--preauthorization exemption data collection and reporting

Comment. One commenter supports the transparency and oversight provided in new proposed §19.1734, asks TDI to adopt the rule as proposed, and encourages TDI to ensure the data is sufficient to allow policymakers and stakeholders to evaluate relevant patterns.

Agency Response. TDI appreciates the commenter's support.

Comment. One commenter opposes provisions in §19.1734(b)(2) - (6), stating that those provisions go beyond what the statute requires, duplicate data already collected by federal regulators, and, particularly with regard to affiliate volume and network composition requirements, sweep in federally regulated programs that are outside TDI's jurisdiction. The commenter notes that issuers are already required to report some prior authorization metrics under the 2024 CMS Interoperability and Prior Authorization rule, and raises concerns about compiling overlapping data and building new reporting infrastructure operating across multiple affiliated entities. The commenter asks that TDI limit the annual reporting requirements to those data elements expressly required by Insurance Code §4201.660, applied to Texas-regulated commercial health insurance and HMO products subject to Insurance Code Chapter 4201, Subchapter N.

Agency Response. In response to the commenter's concerns about duplicative data requirements, TDI modifies the data required under §19.1734(b) as proposed. In paragraph (1) of the adopted rule--to leverage data that issuers are already required to publish under state and federal law--the report requires issuers to provide links to the websites where the issuer publishes preauthorization metrics. In paragraph (3), the requirement to report the number of prior authorization requests within each line of business is replaced with a requirement to identify each line of business that is included within the issuer's evaluations for preauthorization exemptions.

While this information is not expressly required by Insurance Code §4201.660, it is necessary to enable TDI to monitor issuers' compliance with Insurance Code §4201.653(a-1). That provision requires health plans, when conducting an evaluation, to include preauthorization requests submitted to the issuer or its affiliate, regardless of whether the request was made in connection with a health plan that is subject to Insurance Code Chapter 4201, Subchapter N. While TDI is not adopting a requirement for issuers to report quantitative data on the volume of preauthorization requests within each line of business, TDI encourages issuers to voluntarily share information with TDI and policymakers on how the inclusion of preauthorization requests from Medicare and Medicaid has affected the gold carding program.

TDI declines to remove data elements on the number of services requiring preauthorization because this information provides important context to policymakers. Likewise, collecting the number of physicians and providers in the issuer's network and the number of in-network physicians and providers with at least one exemption allows TDI to calculate the percentage of in-network physicians and providers with an exemption. This is a key metric that TDI has shared with policymakers in the past to quantify the impact of the legislation.

Comment. One commenter suggests expanding §19.1734 to include a description of why each denial or rescission that was reviewed by an IRO was upheld or overturned, as well as the

number of determinations for which IRO review was requested and their outcome, to aid in TDI enforcement efforts.

Agency Response. The Legislature requires data to be collected for each health care service subject to an exemption. TDI declines to make the suggested change because it would significantly increase the granularity of the data and level of effort needed to produce and maintain the data. Physicians and providers who request an IRO will receive the IRO's decision directly and can file complaints with TDI if needed.

SUBCHAPTER K. CONTINUING EDUCATION, ADJUSTER PRELICENSING EDUCATION PROGRAMS, AND CERTIFICATION COURSES

28 TAC §19.1006, §19.1028

STATUTORY AUTHORITY. TDI adopts amendments to §19.1006 and §19.1028 under Insurance Code §§4004.103, 4004.104, 4004.203, and 36.001.

Insurance Code §4004.103 provides that the commissioner may adopt rules establishing requirements for continuing education program providers.

Insurance Code §4004.104 authorizes TDI to establish the scope and type of continuing education requirements for each type of licensee.

Insurance Code §4004.203 provides that the commissioner by rule adopt criteria for continuing education programs used to satisfy the requirements of Insurance Code §4004.202.

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

§19.1006. Course Criteria.

(a) To be certified as a continuing education course, the course content must include topics that contribute substantive knowledge relating to the business of insurance and expand the competence of the licensee. Ethics and consumer protection course credit, described in paragraph (8) of this subsection, applies equally to all license types. TDI will not approve a course if it does not relate specifically to the business of insurance. Given that restriction, approved topics include, but are not limited to, the following:

(1) actuarial mathematics, statistics, and probability;

(2) assigned risk;

(3) claims adjusting;

(4) courses leading to and maintaining insurance designations;

(5) employee benefit plans;

(6) errors and omissions;

(7) estate planning/taxation;

(8) ethics and consumer protection, only if the course also provides instruction consistent with one or more of the following topics:

(A) Insurance Code Chapter 541, concerning Unfair Methods of Competition and Unfair or Deceptive Acts or Practices;

(B) Insurance Code Chapter 547, concerning False Advertising by Unauthorized Insurers;

(C) Insurance Code Chapter 542, Subchapter A, concerning Unfair Claim Settlement Practices;

(D) Insurance Code Chapter 1702, concerning Regulation of Certain Trade Practices;

(E) Business and Commerce Code Chapter 17, Subchapter E, concerning Deceptive Trade Practices and Consumer Protection;

(F) analogous laws as specified by TDI, including:

(i) Insurance Code Chapter 1952, Subchapter G, concerning Repair of Motor Vehicles;

(ii) Insurance Code Chapter 542, Subchapter B, concerning Prompt Payment of Claims;

(iii) Insurance Code Chapter 542, Subchapter D, concerning Notice of Settlement of Claim Under Casualty Insurance Policy;

(iv) Insurance Code Chapter 542, Subchapter E, concerning Recovery of Deductible From Third Parties Under Certain Automobile Insurance Policies;

(v) §5.501 of this title (relating to Notice Requirements to Claimants Regarding Motor Vehicle Repairs); and

(vi) Penal Code Chapter 35, concerning Insurance Fraud;

(G) corporate ethics;

(H) ethical challenges of licensees;

(I) ethical behavior of an insurance company;

(J) ethical behavior of an agent or adjuster;

(K) duties of the licensee to company, client, and customer;

(L) duties of insurer/HMO to agents/clients;

(M) fiduciary responsibility;

(N) unfair marketing practices;

(O) difference between ethics and laws;

(P) confidentiality, privacy, and ethics;

(Q) ethical analysis of the licensee's job;

(R) philosophical approaches to ethics; or

(S) business ethics;

(9) fundamentals/principles of insurance;

(10) insurance accounting/actuarial considerations;

(11) insurance contract/policy comparison and analysis;

(12) insurance fraud;

(13) insurance laws, rules, regulations, and regulatory updates;

(14) insurance policy provisions;

(15) insurance product-specific knowledge;

(16) insurance rating/underwriting/claims;

(17) insurance tax laws;

(18) legal principles;

(19) long-term care/partnership;

(20) loss prevention, control, and mitigation;

(21) managed care;

(22) principles of risk management;

(23) proper uses of insurance products;

(24) Real Estate Settlement Procedures Act;

(25) restoration--addresses claims, loss control issues, and mitigation;

(26) retirement planning;

(27) securities;

(28) suitability in insurance products;

(29) surety bail bond;

(30) underwriting principles; and

(31) viaticals/life settlements.

(b) To be certified as an adjuster prelicensing education course or program, the course content must enhance the student's knowledge, understanding, and/or professional competence regarding the subjects set forth in §19.1017 and §19.1018 of this title (relating to Adjuster Prelicensing Education Course Content and Examination Requirements and Adjuster Prelicensing Examination Topics). Unless specifically stated otherwise, this subchapter applies equally to courses certified for continuing education and adjuster prelicensing purposes.

(c) To be certified as a long-term care partnership certification course, the course content must enhance the student's knowledge, understanding, and professional competence regarding the subjects specified in §19.1022 of this title (relating to Long-Term Care Partnership Certification Course). Unless specifically stated otherwise, this subchapter applies equally to courses certified for continuing education and long-term care partnership certification and long-term care partnership continuing education purposes.

(d) To be certified as a Medicare-related product certification course, the course content must enhance the student's knowledge, understanding, and professional competence regarding the subjects specified in §19.1024 of this title (relating to Medicare-Related Product Certification Course). Unless specifically stated otherwise, this subchapter applies equally to courses certified for continuing education, Medicare-related product certification, and Medicare-related product continuing education purposes.

(e) To be certified as a small employer health benefit plan specialty certification course, the course content must enhance the student's knowledge, understanding, and professional competence regarding the subjects specified in §19.1026 of this title (relating to Small Employer Health Benefit Plan Specialty Certification Course). Unless specifically stated otherwise, this subchapter applies equally to courses certified for continuing education and small employer health benefit plan specialty certification.

(f) To be certified as an annuity certification or continuing education course, the course content must enhance the student's knowledge, understanding, and professional competence regarding the subjects specified in §19.1028(g) of this title (relating to Annuity Certification Course). Unless specifically stated otherwise, this section applies equally to courses certified for continuing education and annuity certification.

(g) The following course content is not applicable to a licensee's continuing education requirements:

(1) meetings held in conjunction with the regular business of the licensee or courses or training relating to the marketing and business practices of a specific company;

(2) course content teaching general accounting, speed reading, other general business skills, computer use, or computer software application use;

(3) course content teaching motivation, goal-setting, time management, communication, sales, or marketing skills;

(4) course content providing for prelicensing training qualifying examination preparation;

(5) course content that does not meet the requirement of subsection (a) of this section; and

(6) course content that is substantially:

(A) a glossary, dictionary, or index of insurance terms without independent distinction as to the application of these terms to the business of insurance through case studies or analysis based on actual or hypothetical factual situations that apply to the business of insurance; or

(B) a recitation of statutes, rules, legal principles, or theories without independent distinction as to the application of these issues to the business of insurance through case studies or analysis based on actual or hypothetical factual situations that apply to the business of insurance.

(h) A single continuing education course may include both ethics and consumer protection credit topics with other topics meeting the requirements of subsection (a) of this section.

§19.1028. Annuity Certification Course.

(a) An individual who obtains a current resident agent license issued by the department on or after April 1, 2010, or renews a resident agent license on or after April 1, 2010, may not sell, solicit, or negotiate a contract for an annuity or represent an insurer in relation to an annuity in this state until they have completed the annuity certification course as specified in this section.

(b) Licensees that may qualify for the exemption provided under §19.1004(b) or (c) of this title (relating to Licensee Exemption from and Extension of Time for Continuing Education) are not exempt from the provisions of this section.

(c) This subsection establishes the standards for an annuity certification course. The course must:

(1) be submitted to the department for approval in compliance with §19.1007 of this title (relating to Course Certification Submission Applications, Course Expirations, and Resubmissions);

(2) be at least four hours in length; and

(3) cover each of the subjects described in subsection (g) of this section.

(d) Licensees may count an annuity certification course toward completion of the continuing education requirements prescribed in §19.1003 of this title (relating to Licensee Requirements). If a licensee chooses to use an annuity certification course to satisfy a portion of the continuing education requirements prescribed in §19.1003 of this title, the licensee must comply with §19.1013 of this title (relating to Licensee Record Maintenance).

(e) A licensee must maintain proof of completion of an annuity certification course for a period of four years from the date of comple-

tion of the course. Upon request, the licensee must provide proof of completion of the annuity certification course to the department.

(f) A provider issued completion certificate for an annuity certification course must comply with the requirements of §19.1011 of this title (relating to Requirements for Successful Completion of Continuing Education Courses).

(g) Course subjects for an annuity certification course outline must include each of the following topics:

(1) the requirements of Insurance Code Chapters 1114 and 1115, and the requirements of Chapter 3, Subchapter NN of this title (relating to Consumer Notices for Life Insurance Policy and Annuity Contract Replacements);

(2) the provisions specified in Insurance Code §§541.051 - 541.061 and Insurance Code Chapter 1702, concerning Regulation of Certain Trade Practices;

(3) recognition of indicators that a prospective insured may lack the short-term memory or judgment to knowingly purchase an annuity; and

(4) practices relating to annuities that are prohibited by Penal Code Chapter 35.

(h) Course subjects for an annuity certification course outline may include additional topics addressing statutes enacted and rules adopted subsequent to the effective date of this section, provided that the statutes or rules relate specifically to annuities.

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 R. UTILIZATION REVIEWS FOR HEALTH CARE PROVIDED UNDER A HEALTH BENEFIT PLAN OR HEALTH INSURANCE POLICY

DIVISION 1. UTILIZATION REVIEWS

28 TAC §§19.1702, 19.1705, 19.1706, 19.1709, 19.1710

STATUTORY AUTHORITY. TDI adopts amendments to §§19.1702, 19.1705, 19.1706, 19.1709, and 19.1710 under Insurance Code §§1217.004, 4201.003, and 36.001.

Insurance Code §1217.004 provides that the commissioner adopt rules related to the use of a standard form for requesting prior authorization of health care services.

Insurance Code §4201.003 authorizes the commissioner to adopt rules to implement Insurance Code Chapter 4201.

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

§19.1705. General Standards of Utilization Review.

(a) Review of utilization review plan. The utilization review plan must be reviewed and approved by a physician licensed to practice medicine in Texas and conducted under standards developed and periodically updated with input from both primary and specialty physicians, doctors, and other health care providers, as appropriate.

(b) Special circumstances.

(1) A utilization review determination must be made in a manner that takes into account special circumstances of the case that may require deviation from the norm stated in the screening criteria or relevant guidelines. Special circumstances include, but are not limited to, an individual who has a disability, acute condition, or life-threatening illness.

(2) If coverage is available for stage-four advanced, metastatic cancer and associated conditions, as defined by Insurance Code §1369.211, concerning Definitions, the URA cannot require, before coverage of a prescription drug, that the enrollee:

(A) fail to successfully respond to a different drug; or

(B) prove a history of failure of a different drug.

(3) Paragraph (2) of this subsection only applies to a drug the use of which is:

(A) consistent with best practices for the treatment of stage-four advanced, metastatic cancer or an associated condition, as defined by Insurance Code §1369.211;

(B) supported by peer-reviewed, evidence-based literature; and

(C) approved by the United States Food and Drug Administration.

(c) Screening criteria. Each URA must utilize written screening criteria that are evidence based, scientifically valid, outcome focused, and that comply with the requirements in Insurance Code §4201.153, concerning Screening Criteria and Review Procedures. The screening criteria must also recognize that if evidence-based medicine is not available for a particular health care service provided, the URA must utilize generally accepted standards of medical practice recognized in the medical community. The screening criteria must not be more restrictive than the coverage standards in Title 8, Subtitle E, of the Insurance Code, concerning Benefits Payable Under Health Coverages.

(d) Referral and determination of adverse determinations. Consistent with Insurance Code §4201.153, adverse determinations must be referred to and may only be determined by an appropriate physician, doctor, or other health care provider with appropriate credentials under §19.1706 of this title (relating to Requirements and Prohibitions Relating to Personnel) to determine the medical necessity, the appropriateness, or the experimental or investigational nature of health care services. Consistent with Insurance Code §4201.156, concerning Use of Automated Decision System for Adverse Determinations, a URA may not use an automated decision system to make, wholly or partly, an adverse determination.

(e) Delegation of review. A URA, including a specialty URA, may delegate the utilization review to qualified personnel in a hospital or other health care facility in which the health care services to be reviewed were, or are, to be provided. The delegation does not relieve

the URA of full responsibility for compliance with this subchapter and Insurance Code Chapter 4201, including the conduct of those to whom utilization review has been delegated.

(f) Complaint system. The URA must develop and implement procedures for the resolution of oral or written complaints initiated by enrollees, individuals acting on behalf of the enrollee, or health care providers concerning the utilization review. The URA must maintain records of complaints for three years from the date the complaints are filed. The complaints procedure must include a requirement for a written response to the complainant by the agent within 30 calendar days. The written response must include TDI's address, toll-free telephone number, and a statement explaining that a complainant is entitled to file a complaint with TDI.

(g) Electronic prior authorization. Consistent with Insurance Code §1217.004 and §1369.304, both concerning Standard Form, an issuer must maintain an electronic prior authorization system that meets the national standards identified in 45 CFR §156.223, concerning Prior Authorization Requirements, and process prior authorization requests electronically, no later than the implementation dates specified in that section.

§19.1709. Notice of Determinations Made in Utilization Review.

(a) Notice requirements. A URA must send written notification to the enrollee or an individual acting on behalf of the enrollee and the enrollee's provider of record, including the health care provider who rendered the service, of a determination made in a utilization review.

(b) Renewal of existing preauthorizations. If a health benefit plan issuer subject to Insurance Code Chapter 1222, concerning Preauthorization for Medical or Health Care Service, requires preauthorization as a condition of payment for a medical or health care service, the URA must provide a preauthorization renewal process that allows a physician or health care provider to request renewal of an existing preauthorization at least 60 days before the date the preauthorization expires.

(c) Required notice elements. In all instances of a prospective, concurrent, or retrospective utilization review adverse determination, written notification of the adverse determination by the URA must include:

(1) the principal reasons for the adverse determination;

(2) the clinical basis for the adverse determination;

(3) a description of and the source of the screening criteria and review procedures that were utilized as guidelines in making the determination;

(4) the professional specialty of the physician, doctor, or other health care provider that made the adverse determination;

(5) a description of the procedure for the URA's complaint system as required by §19.1705 of this title (relating to General Standards of Utilization Review);

(6) a description of the URA's appeal process, as required by §19.1711 of this title (relating to Written Procedures for Appeal of Adverse Determination);

(7) a copy of the request for a review by an IRO form, available at www.tdi.texas.gov;

(8) notice of the independent review process with instructions that:

(A) request for a review by an IRO form must be completed by the enrollee, an individual acting on behalf of the enrollee, or the enrollee's provider of record and be returned to the insurance carrier or URA that made the adverse determination to begin the independent review process; and

(B) the release of medical information to the IRO, which is included as part of the independent review request for a review by an IRO form, must be signed by the enrollee or the enrollee's legal guardian; and

(9) a description of the enrollee's right to an immediate review by an IRO and of the procedures to obtain that review for an enrollee who has a life-threatening condition or who is denied the provision of prescription drugs or intravenous infusions for which the patient is receiving benefits under the health insurance policy.

(d) Determination concerning an acquired brain injury. In addition to the notification required by this section, a URA must comply with this subsection in regard to a determination concerning an acquired brain injury as defined by §21.3102 of this title (relating to Definitions). Not later than three business days after the date an individual requests utilization review or requests an extension of coverage based on medical necessity or appropriateness, a URA must provide notification of the determination through a direct telephone contact to the individual making the request. This subsection does not apply to a determination made for coverage under a small employer health benefit plan.

(e) Prospective and concurrent review.

(1) Favorable determinations. The written notification of a favorable determination made in utilization review must be mailed or electronically transmitted as required by Insurance Code §4201.302, concerning General Time for Notice.

(2) Preauthorization numbers. A URA must ensure that preauthorization numbers assigned by the URA comply with the data and format requirements contained in the standards adopted by the U.S. Department of Health and Human Services in 45 CFR §162.1102 (relating to Standards for Health Care Claims or Equivalent Encounter Information Transaction), based on the type of service in the preauthorization request.

(3) Required time frames. Except as otherwise provided by the Insurance Code, the time frames for notification of the adverse determination begin from the date of the request and must comply with Insurance Code §4201.304, concerning Time for Notice of Adverse Determination. A URA must provide the notice to the provider of record or other health care provider not later than one hour after the time of the request when denying post-stabilization care subsequent to emergency treatment as requested by a provider of record or other health care provider. The URA must send written notification within three working days of the telephone or electronic transmission.

(4) Required time frame for preauthorization renewal requests. A URA must review a request to renew a preauthorization for a medical or health care service and make and issue a determination before the existing preauthorization expires, if practicable. The determination must indicate whether the medical or health care service is preauthorized.

(f) Retrospective review.

(1) The URA must develop and implement written procedures for providing the notice of adverse determination for retrospective utilization review, including the time frames for the notice of adverse determination, that comply with Insurance Code §4201.305, concerning Notice of Adverse Determination for Retrospective Utilization Review, and this section.

(2) When a retrospective review of the medical necessity, appropriateness, or the experimental or investigational nature of the

health care services is made in relation to health coverage, the URA may not require the submission or review of a mental health therapist's process or progress notes that relate to the mental health therapist's treatment of an enrollee's mental or emotional condition or disorder. This prohibition extends to requiring an oral, electronic, facsimile, or written submission or rendition of a mental health therapist's process or progress notes. This prohibition does not preclude requiring submission of:

(A) an enrollee's mental health medical record summary; or

(B) medical records or process or progress notes that relate to treatment of conditions or disorders other than a mental or emotional condition or disorder.

§19.1710. Requirements Prior to Issuing an Adverse Determination.

In any instance in which the URA is questioning the medical necessity, the appropriateness, or the experimental or investigational nature of the health care services, before issuing an adverse determination, the URA must afford the provider of record a reasonable opportunity to discuss the plan of treatment for the enrollee with a physician licensed to practice medicine in Texas. The discussion must include, at a minimum, the clinical basis for the URA's decision and a description of documentation or evidence, if any, that can be submitted by the provider of record that, on appeal, might lead to a different utilization review decision. If the health care service was ordered, requested, or provided, or is to be provided, by a physician, then the opportunity must be with a physician licensed to practice medicine in Texas and who has the same or similar specialty as the physician.

(1) The URA must provide the URA's telephone number so that the provider of record may contact the URA to discuss the pending adverse determination.

(2) The URA must maintain, and submit to TDI on request, documentation that details the discussion opportunity provided to the provider of record, including the date and time the URA offered the opportunity to discuss the adverse determination, the date and time that the discussion, if any, took place, and the discussion outcome.

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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DIVISION 2. PREAUTHORIZATION EXEMPTIONS

28 TAC §§19.1730 - 19.1734

STATUTORY AUTHORITY. TDI adopts amendments to §§19.1730 - 19.1733 and new §19.1734 under Insurance Code §§4201.003, 4202.002, and 36.001.

Insurance Code §4201.003 authorizes the commissioner to adopt rules to implement Insurance Code Chapter 4201.

Insurance Code §4202.002 provides that the commissioner adopt standards and rules for independent review organizations.

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

§19.1731. Preauthorization Exemption.

(a) For the purposes of this division, a physician or provider should be identified using the National Provider Identifier (NPI) under which a physician or provider makes preauthorization requests.

(b) With respect to a particular health care service for which a physician or provider does not have a preauthorization exemption, an issuer must conduct an evaluation of all eligible preauthorization requests submitted by the physician or provider to the issuer or an affiliate of the issuer during the most recent evaluation period. The evaluation must be based on no fewer than five eligible preauthorization requests.

(c) With respect to a particular health care service for which a physician or provider has a preauthorization exemption, an issuer may conduct an evaluation, as defined in §19.1730(5)(B) of this title (relating to Definitions), to determine whether to rescind a preauthorization exemption consistent with Insurance Code §4201.655, concerning Denial or Rescission of Preauthorization Exemption. In order to determine whether to rescind an exemption, the issuer must conduct a retrospective review of a random sample of claims submitted during the most recent evaluation period, as follows.

(1) If there are five or more claims, the issuer must review at least five and no more than 20 claims.

(2) If there are fewer than five claims, the issuer must review all the claims submitted by the physician or provider during the most recent evaluation period.

(d) Other than care ordered by a treating physician or provider that has a preauthorization exemption that is then rendered by a physician or provider that does not have an exemption, a treating physician or provider may not rely on another physician's or provider's preauthorization exemption. If a treating physician or provider does not have a preauthorization exemption and relies on another physician's or provider's preauthorization exemption in violation of this subsection, an issuer may consider the physician or provider who has qualified for the preauthorization exemption as failing to substantially perform the health care service under Insurance Code §4201.659, concerning Effect of Preauthorization Exemption, and may reduce or deny payment for that service on that basis. It is not a violation of this subsection for a provider, such as a nurse or physician's assistant, who practices under the supervision of a physician, to rely on the supervising physician's exemption, if the provider appropriately orders care and requests preauthorization under the supervising physician's NPI.

(e) For care ordered by a treating physician or provider that has a preauthorization exemption that is then rendered by a physician or provider that does not have an exemption, the treating physician or provider must include the name and NPI of the ordering physician or provider on the claim in fields 17 and 17B of CMS Form 1500, in fields 76 - 79 or another appropriate field in Form UB-04, or in the corresponding fields for electronic claims using the ASC X12N 837 format. The issuer may provide coding guidance to physicians and providers to ensure that this information is appropriately captured on the claim. If this information is not included, the issuer may treat the claim as subject to an otherwise applicable preauthorization requirement.

§19.1732. Notice of Preauthorization Exemption Grants, Denials, or Rescissions.

(a) When granting a preauthorization exemption, an issuer must provide notice to the physician or provider, consistent with Insurance Code §4201.659(d), concerning Effect of Preauthorization Exemption. The notice must include a plain language explanation of the effect of the preauthorization exemption and any claim coding guidance needed to document the preauthorization exemption, consistent with §19.1731(e) of this title (relating to Preauthorization Exemption). The exemption begins on the date the notice is issued. If an issuer subsequently receives a preauthorization request from the physician or provider for a particular health care service for which an exemption has been granted, the issuer must provide a notice consistent with Insurance Code §4201.659(e).

(b) When rescinding or denying a preauthorization exemption, an issuer must provide a notice to the physician or provider that complies with this section and allows the physician or provider to appeal the rescission or denial to an IRO. Sample forms LHL011 for rescissions and LHL012 for denials are available on TDI's website at www.tdi.texas.gov/forms.

(c) After completing an evaluation as defined under §19.1730(5)(A) of this title (relating to Definitions), an issuer must provide a notice granting or denying a preauthorization exemption within five days. For any evaluation period during which a physician or provider does not have a preauthorization exemption, an issuer must provide notice to the physician or provider granting or denying a preauthorization exemption no later than two months following the day after the end of the evaluation period. Notice need only be provided for a particular health care service if the issuer was able to complete an evaluation of at least five eligible preauthorization requests, as provided in §19.1731(b) of this title.

(d) When rescinding a preauthorization exemption, an issuer must provide notice to the physician or provider, consistent with Insurance Code §4201.655(a)(3), concerning Denial or Rescission of Preauthorization Exemption. Notice of the rescission must be provided during the months specified in Insurance Code §4201.655(a)(1). The notice must be provided no later than three months following the last day of the evaluation period. The notice must include the following:

(1) an identification of the health care service for which a preauthorization exemption is being rescinded, the date the notice is issued, and the date the rescission is effective, consistent with Insurance Code §4201.654, concerning Duration of Preauthorization Exemption;

(2) a plain language explanation of how the physician or provider may appeal and seek an independent review of the determination, and the company's address and contact information for returning the form by mail or electronic means to request an appeal;

(3) a statement of the total number of payable claims submitted by or in connection with the physician or provider during the most recent evaluation period that were eligible to be evaluated with respect to the health care service subject to rescission, the number of claims included in the random sample, and the sample information used to make the determination, including:

(A) identification of each claim included in the random sample;

(B) the issuer's determination of whether each claim met the issuer's screening criteria; and

(C) for any claim determined not to have met the issuer's screening criteria:

(i) the principal reasons for the determination that the claim did not meet the issuer's screening criteria, including, if applicable, a statement that the determination was based on a failure to submit specified medical records;

(ii) the clinical basis for the determination that the claim did not meet the issuer's screening criteria;

(iii) a description of the sources of the screening criteria that were used as guidelines in making the determination; and

(iv) the professional specialty of the physician, doctor, or other health care provider who made the determination;

(4) a space to be filled out by the physician or provider that includes:

(A) the name, address, contact information, and identification number of the physician or provider requesting an independent review;

(B) an indication of whether the physician or provider is requesting that the independent review organization review the same random sample or a different random sample of claims, if available; and

(C) the date the appeal is being requested; and

(5) an instruction for the physician or provider to return the form to the issuer before the date the rescission becomes effective and to include applicable medical records for any determination that was based on a failure to provide medical records.

(e) When denying a preauthorization exemption, an issuer must provide notice to the physician or provider that demonstrates that the physician or provider does not meet the criteria for a preauthorization exemption, consistent with Insurance Code §4201.655(c)(2), concerning Denial or Rescission of Preauthorization. The notice must include:

(1) an identification of the health care service for which a preauthorization exemption is being denied, the date the notice is issued, the date of the evaluation period that led to the denial, and the date of the subsequent evaluation period under which an exemption will next be considered;

(2) a plain language explanation of how the physician or provider may appeal and seek an independent review of the determination, and the company's address and contact information for returning the form by mail or electronic means to request an appeal;

(3) a statement of the total number of eligible preauthorization requests for the health care service that were submitted to the issuer and the issuer's affiliates by or in connection with the physician or provider during the most recent evaluation period, the percent of eligible preauthorization requests that were approved, and information about the preauthorization requests included in the evaluation that were adversely determined, including:

(A) identification of each preauthorization request included in the evaluation that was adversely determined;

(B) identification of whether each preauthorization request included in the evaluation was appealed to the utilization review agent or to an external or independent review organization and the results of those appeals; and

(C) the date of issuance of each adverse determination notice, including notice in connection with an adverse determination that is upheld on appeal;

(4) instructions on how to electronically access a copy of the adverse determination notice that was issued;

(5) a space to be filled out by the physician or provider that includes:

(A) the name, address, contact information, and identification number of the physician or provider requesting an independent review;

(B) a listing of the adverse determinations for which the physician or provider is requesting an independent review; and

(C) the date the appeal is being requested; and

(6) an instruction for the physician or provider to return the form to the issuer and to include applicable medical records for any determination that was based on a failure to provide medical records.

(f) An issuer must allow physicians and providers to designate an email address or a mailing address for communications regarding preauthorization exemptions, denials, and rescissions. An issuer must provide an option for physicians and providers to submit a request for appeal by mail or by email or other electronic method. Issuers must include an explanation of how the physician or provider may update their preferred contact information and delivery method on all communications issued under this section and on the website required under §19.1718(j) of this title (relating to Preauthorization for Health Maintenance Organizations and Preferred Provider Benefit Plans).

§19.1733. Utilization Reviews and Appeals of Preauthorization Exemption Denials and Rescissions.

(a) For a retrospective review that is conducted under Insurance Code §4201.659(b)(1), concerning Effect of Preauthorization Exemption, to determine whether the physician or provider still qualifies for an exemption, Insurance Code §4201.305, concerning Notice of Adverse Determination for Retrospective Utilization Review, does not apply.

(b) An issuer that is conducting an evaluation as defined in §19.1730(5)(B) of this title (relating to Definitions) to determine whether a physician or provider still qualifies for a preauthorization exemption may request medical records or other documents, consistent with §19.1707 of this title (relating to URA Contact with and Receipt of Information from Health Care Providers), and must provide at least 30 days for a physician or provider to provide the records. Medical records requested in connection with a retrospective review of a random sample of claims as authorized under Insurance Code §4201.659(b)(1) should be limited to no more than 20 claims for a particular health care service and may be requested only during an evaluation period or within 90 days following the end of an evaluation period. If the physician or provider fails to provide the records necessary for the issuer to make a determination, the issuer may determine that the claim would not have met the screening criteria.

(c) After receiving a notice of a rescission or denial, a physician or provider may request an independent review of the adverse determination regarding a preauthorization exemption. The request must be submitted as follows.

(1) For a denial, the request must be submitted no later than 30 days after the date listed on the denial notice. The date of the request must be documented on the form, and the form must be sent electronically or postmarked before the date the denial becomes effective.

(2) For a rescission, the request must be submitted before the rescission becomes effective. The date of the request must be documented on the form, and the form must be sent electronically or postmarked before the date the rescission becomes effective.

(d) In order to request an independent review of an adverse determination regarding a preauthorization exemption, a physician or provider must submit the form provided by the issuer under §19.1732 of this title (relating to Notice of Preauthorization Exemption Grants, Denials, or Rescissions). A preauthorization request that was adversely determined and previously upheld by an external or independent review organization is not eligible for a subsequent independent review. If one or more determinations subject to review were based on a failure to provide specified medical records, the physician or provider must include the applicable records with the request for an independent review. Upon receipt, if the issuer seeks to proceed with the proposed rescission or denial, the issuer must submit the request for independent review to the department, consistent with §12.601 of this title (relating to Preauthorization Exemptions), and §19.1717(c) of this title (relating to Independent Review of Adverse Determinations), and provide information to the IRO consistent with Insurance Code §4201.402, concerning Information Provided to Independent Review Organization.

(e) If the notice of rescission of preauthorization exemption identified that at least five additional claims were eligible for review but not included in the original random sample, the physician or provider may request review of another random sample of claims, as authorized under Insurance Code §4201.656(d). If this request is made, the issuer must, when submitting the request for independent review to the department, provide a listing of all payable claims for the same health care service submitted by or in connection with the physician or provider during the most recent evaluation period that were eligible to be evaluated but that were not included in the original random sample. The listing must be sufficiently detailed to allow the IRO to identify each payable claim to be used in an additional random sample, as provided by §12.601(e) of this title.

(f) If the notice of denial of preauthorization exemption identified five or fewer adverse determinations that contributed to the denial of the preauthorization exemption, the IRO will review each adverse determination that has not previously been upheld by an IRO or external reviewer. Consistent with §12.601(f) of this title, if the notice of denial of preauthorization exemption identified more than five adverse determinations that contributed to the denial of the preauthorization exemption, the IRO may select a random sample of at least five and no more than 20 adverse determinations to review that were not previously upheld by an IRO or external reviewer. If the IRO determines that one or more adverse determinations would have been overturned, the IRO will calculate an adjusted approval rate. An IRO's determination that one or more adverse determinations reviewed in connection with a preauthorization exemption denial would have been overturned does not impact the status of the original preauthorization request.

(g) An issuer must communicate the determination of a review by an independent review organization under §12.601 of this title to the physician or provider within five days.

(h) In order to retain a preauthorization exemption, a physician or provider must continue to maintain medical records adequate to demonstrate that health care services meet medical guidelines. In the absence of adequate records during an evaluation or appeal, an exemption may be rescinded.

§19.1734. Report.

(a) Not later than March 1 of each year, an issuer must submit a report to TDI concerning preauthorization exemptions for the previous calendar year. The report must be submitted electronically as specified on TDI's webpage.

(b) The report must include:

(1) identifying information for the issuer, including the issuer's name and National Association of Insurance Commissioners

(NAIC) number, the contact information of the person responsible for submitting the report, and direct links to the websites containing information posted as required under Insurance Code §843.3481 and §1301.1351, both concerning Posting of Preauthorization Requirements, and 42 CFR §156.223(c), concerning Publicly Reporting Prior Authorization Metrics;

(2) the name and NAIC number of each affiliate of the issuer, or license number if the affiliate does not have an NAIC number;

(3) for the issuer and each affiliate, an identification of each line of business included within the issuer's evaluations for preauthorization exemptions, including:

(A) insurance products subject to Insurance Code Chapter 4201, Subchapter N, concerning Exemption from Preauthorization Requirements for Physicians and Providers Providing Certain Health Care Services, as follows:

(i) major medical coverage; and

(ii) vision coverage;

(B) HMO products subject to Insurance Code Chapter 4201, Subchapter N, as follows:

(i) major medical coverage;

(ii) vision coverage; and

(iii) dental coverage;

(C) insurance and HMO products not subject to Insurance Code Chapter 4201, Subchapter N, as follows:

(i) major medical coverage;

(ii) vision coverage; and

(iii) dental coverage;

(D) Medicaid managed care;

(E) the Children's Health Insurance Program (CHIP);

(F) Medicare Advantage; and

(G) administrative services only, in connection with the following:

(i) major medical coverage;

(ii) vision coverage; and

(iii) dental coverage;

(4) the number of particular health care services for which the issuer requires preauthorization;

(5) the number of physicians and providers included in the issuer's network on the last day of the previous calendar year;

(6) the number of in-network physicians and providers that had at least one preauthorization exemption on the last day of the previous calendar year; and

(7) for each particular health care service that is subject to a preauthorization requirement, a service description, associated billing codes, and data concerning preauthorization exemptions, including:

(A) the number of evaluations conducted during the previous calendar year for physicians or providers without a preauthorization exemption and the number of exemptions newly granted or denied;

(B) the number of preauthorization exemptions granted prior to the previous calendar year, the number of evaluations of those exemptions, and the number of exemptions rescinded; and

(C) the number of appeals requested, identifying whether the appeal was for a denial or rescission of a preauthorization exemption and whether the denial or rescission was upheld or overturned on appeal.

(c) A report submitted under this section is public information subject to disclosure under Government Code Chapter 552, concerning Public Information.

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 S. FORMS TO REQUEST PRIOR AUTHORIZATION

DIVISION 1. TEXAS STANDARD PRIOR AUTHORIZATION REQUEST FORMS

28 TAC §19.1801, §19.1803

STATUTORY AUTHORITY. TDI adopts amendments to §19.1801 and §19.1803 under Insurance Code §§1217.004, 1369.304, and 36.001.

Insurance Code §1217.004 provides that the commissioner adopt rules related to the use of a standard form for requesting prior authorization of health care services.

Insurance Code §1369.304 provides that the commissioner adopt rules related to the use of a standard form for requesting prior authorization of prescription drug benefits.

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

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SUBCHAPTER U. UTILIZATION REVIEWS FOR HEALTH CARE PROVIDED UNDER WORKERS' COMPENSATION INSURANCE COVERAGE

28 TAC §§19.2005, 19.2006, 19.2009, 19.2010

STATUTORY AUTHORITY. TDI adopts amendments to §§19.2005, 19.2006, 19.2009, and 19.2010 under Insurance Code §4201.003 and §36.001.

Insurance Code §4201.003 authorizes the commissioner to adopt rules to implement Insurance Code Chapter 4201.

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

§19.2005. General Standards of Utilization Review.

(a) Review of utilization review plan. A utilization review plan must be reviewed and approved by a physician licensed to practice medicine in Texas and conducted under standards developed and periodically updated with input from both primary and specialty physicians, doctors, and other health care providers, including practicing health care providers, as appropriate.

(b) Special circumstances. A utilization review determination must be made in a manner that takes special circumstances of the case into account that may require deviation from the norm stated in the screening criteria or relevant guidelines. Special circumstances include, but are not limited to, an individual who has a disability, acute condition, or life-threatening illness. For the purposes of this section, disability must not be construed to mean an injured employee who is off work or receiving income benefits.

(c) Screening criteria. Each URA must utilize written screening criteria that are evidence-based, scientifically valid, outcome-focused, and that comply with the requirements in Insurance Code §4201.153, concerning Screening Criteria and Review Procedures. The screening criteria must also recognize that if evidence-based medicine is not available for a particular health care service provided, the URA must utilize generally accepted standards of medical practice recognized in the medical community. For workers' compensation network coverage, screening criteria must comply with Insurance Code Chapter 1305, concerning Workers' Compensation Health Care Networks, and §10.101 of this title (relating to General Standards for Utilization Review and Retrospective Review); for workers' compensation non-network coverage and workers' compensation health plan, screening criteria must comply with Labor Code §§401.011, concerning General Definitions; 413.011, concerning Reimbursement Policies and Guidelines; Treatment Guidelines and Protocols; and 413.014, concerning Preauthorization Requirements; Concurrent Review and Certification of Health Care; and Chapters 133, 134, and 137 of this title (relating to General Medical Provisions; Benefits-Guidelines for Medical Services, Charges, and Payments; and Disability Management, respectively).

(d) Referral and determination of adverse determinations. Consistent with Insurance Code §4201.153, adverse determinations must be referred to and may only be determined by a physician, doctor, or other health care provider with appropriate credentials under Chapter 180 of this title (relating to Monitoring and Enforcement) and §19.2006 of this title (relating to Requirements and Prohibitions Relating to Personnel). Consistent with Insurance Code §4201.156, concerning Use of Automated Decision System for Adverse Determinations, a URA may not use an automated decision system to make, wholly or partly, an adverse determination. Physicians and doctors performing utilization review must also comply with Labor Code §§408.0043, concerning Professional Specialty Certification Required for Certain Review, 408.0044, concerning Review of Dental Services, and 408.0045, concerning Review of Chiropractic Services.

(e) Delegation of review. A URA, including a specialty URA, may delegate the utilization review to qualified personnel in a hospital or other health care facility in which the health care services to be reviewed were, or are, to be provided. The delegation does not relieve the URA of full responsibility for compliance with this subchapter, Insurance Code Chapter 4201, concerning Utilization Review Agents, the Texas Workers' Compensation Act, and applicable TDI-DWC rules, including responsibility for the conduct of those to whom utilization review has been delegated.

(f) Complaint system. The URA must develop and implement procedures for the resolution of oral or written complaints initiated by injured employees, their representatives, or health care providers concerning the utilization review. The URA must maintain records of complaints for three years from the date the complaints are filed. The complaints procedure must include a requirement for a written response to the complainant by the agent within 30 calendar days. The written response must include TDI's address, toll-free telephone number, and a statement explaining that a complainant is entitled to file a complaint with TDI.

(g) Compliance with Labor Code §504.055. Utilization review plan written policies must evidence compliance with Labor Code §504.055, concerning Expedited Provision of Medical Benefits for Certain Injuries Sustained by First Responder in Course and Scope of Employment.

§19.2006. Requirements and Prohibitions Relating to Personnel.

(a) Qualification requirements. Physicians, doctors, and other health care providers employed by or under contract with a URA to perform utilization review must be appropriately trained, qualified, and currently licensed consistent with Insurance Code Chapter 4201, concerning Utilization Review Agents. Personnel conducting utilization review must hold an unrestricted license or an administrative license in Texas or be otherwise authorized to provide health care services in Texas. Physicians and doctors conducting utilization review must hold a professional certification in a health care specialty appropriate to the type of health care the injured employee is receiving as required by Labor Code §§408.0043, concerning Professional Specialty Certification Required for Certain Review, 408.0044, concerning Review of Dental Services, and 408.0045, concerning Review of Chiropractic Services. Physicians, doctors, and other health care providers conducting utilization review must have the appropriate credentials as required by Chapter 180 of this title (relating to Monitoring and Enforcement).

(1) This subchapter does not supersede requirements in the Medical Practice Act, Texas Medical Board rules, Texas Occupations Code Chapter 201, concerning Chiropractors, or Texas Board of Chiropractic Examiners rules. Individuals licensed by the Texas Medical Board are subject to 22 TAC Chapter 180 (relating to Disciplinary Guidelines).

(2) Personnel who perform clerical or administrative tasks are not required to have the qualifications prescribed by this subsection.

(b) Disqualifying associations. For purposes of this subsection, being employed by or under contract with the same URA as the physician, doctor, or other health care provider who issued the initial adverse determination does not in itself constitute a disqualifying association. A physician, doctor, or other health care provider who conducts utilization review must not have any disqualifying associations with the:

(1) injured employee or health care provider who is requesting utilization review or an appeal; or

(2) physician, doctor, or other health care provider who issued the initial adverse determination.

(c) Information a URA must send to TDI. A URA must send to TDI the name, type, Texas license number, and qualifications of the personnel either employed or under contract to perform utilization review with an original or renewal application.

(d) Written procedures and maintenance of records. A URA must develop and implement written procedures, and maintain documentation, to demonstrate that all physicians, doctors, and other health care providers used by the URA are licensed, qualified, and appropriately trained or experienced.

(e) Physician direction requirement. Utilization review conducted by a URA must be under the direction of a physician currently licensed without restriction to practice medicine in Texas, consistent with Insurance Code §4201.152, concerning Utilization Review Under Direction of Physician. The physician must be employed by or under contract with the URA.

§19.2009. Notice of Determinations Made in Utilization Review.

(a) Notice requirements of favorable or adverse determinations.

(1) A URA must send written notification of a determination made in utilization review to the individuals specified in and within the timeframes required for utilization review.

(2) For prospective and concurrent review, the timeframes are specified by:

(A) Section 134.600 of this title (relating to Preauthorization, Concurrent Review, and Voluntary Certification of Health Care) for workers' compensation non-network coverage; and

(B) Insurance Code §1305.353, concerning Notice of Certain Utilization Review Determinations; Preauthorization Requirements; and §10.102 of this title (relating to Notice of Certain Utilization Review Determinations; Preauthorization and Retrospective Review Requirements) for workers' compensation network coverage.

(3) For retrospective review, the timeframes are specified by:

(A) Sections 133.240 and 133.250 of this title (relating to Medical Payment and Denials, and Reconsideration for Payment of Medical Bills, respectively) for workers' compensation non-network coverage;

(B) Sections 133.240, 133.250, and 10.102 of this title, for workers' compensation network coverage.

(4) For workers' compensation non-network coverage and network coverage, a URA must ensure that preauthorization numbers assigned by the URA comply with the data and format requirements contained in the standards adopted by the U.S. Department of Health and Human Services in 45 CFR §162.1102 (relating to Standards for Health Care Claims or Equivalent Encounter Information Transaction) based on the type of service in the preauthorization request.

(b) Required notice elements. In all instances of a prospective, concurrent, or retrospective utilization review adverse determination, written notification of the adverse determination by the URA must include:

(1) the principal reasons for the adverse determination;

(2) the clinical basis for the adverse determination;

(3) a description of the procedure for filing a complaint with TDI;

(4) the professional specialty and Texas license number of the physician, doctor, or other health care provider that made the adverse determination;

(5) a description of the procedure for the URA's complaint system as required by §19.2005 of this title (relating to General Standards of Utilization Review);

(6) a description of the URA's appeal process, as required by §19.2011 of this title (relating to Written Procedures for Appeal of Adverse Determinations) and a statement that in a circumstance involving an injured employee's life-threatening condition, the injured employee is entitled to an immediate review of the adverse determination by an IRO and is not required to comply with procedures for an internal review of the adverse determination by the URA for prospective and concurrent utilization review;

(7) for workers' compensation network coverage, a description of and the source of the screening criteria and review procedures used in making the determination, including a description of treatment guidelines used, as applicable;

(8) for workers' compensation non-network coverage, a description of and the source of the treatment guidelines and review procedures used under Chapter 137 of this title (relating to Disability Management) or Labor Code §504.054(b), concerning Contested Case Hearing on and Judicial Review of Independent Review, in making a determination; and

(9) notice of the independent review process. The notice of the independent review process required under this paragraph must include:

(A) a statement that:

(i) the request for a review by an IRO form must be completed by the injured employee, the injured employee's representative, or the injured employee's provider of record and be returned to the insurance carrier or URA that made the adverse determination to begin the independent review process;

(ii) a request for independent review of an adverse determination made under workers' compensation non-network coverage must be timely filed by the requestor consistent with §133.308 of this title (relating to MDR of Medical Necessity Disputes); and

(iii) a request for independent review of an adverse determination made under workers' compensation network coverage must be timely filed by the requestor consistent with §10.104 of this title (relating to Independent Review of Adverse Determination); and

(B) either of the following:

(i) a copy of the request for a review by an IRO form, available at www.tdi.texas.gov/forms; or

(ii) notice in at least 12 point font that the injured employee can obtain a copy of the request for a review by an IRO form by:

(I) accessing TDI's website at www.tdi.texas.gov/forms; or

(II) calling {insert URA's telephone number} to request a copy of the form, at which time the URA will send a copy of the request for a review by an IRO form to the injured employee.

(c) Peer review reports. The notice of determination made in utilization review required under this section and the peer review report required by §180.28 of this title (relating to Peer Review Requirements, Reporting, and Sanctions) may be combined into one document if all the requirements of both sections are met.

§19.2010. Requirements Prior to Issuing Adverse Determination.

In any instance in which a URA is questioning the medical necessity or appropriateness of the health care services, before issuing an adverse determination, the URA must afford the provider of record a reasonable opportunity to discuss the plan of treatment for the injured employee with a physician, dentist, or chiropractor. If the health care services in question are dental services, then a dentist may conduct the discussion if the services in question are within the scope of the dentist's license to practice dentistry. If the health care services in question are chiropractic services, then a chiropractor may conduct the discussion if the services in question are within the scope of the chiropractor's license to practice chiropractic. The discussion must include, at a minimum, the clinical basis for the URA's decision and a description of documentation or evidence, if any, that can be submitted by the provider of record that, on appeal, might lead to a different utilization review decision.

(1) The URA must provide the URA's telephone number so the provider of record may contact the URA to discuss the pending adverse determination.

(2) The URA must maintain, and submit to TDI or TDI-DWC on request, documentation that details the discussion opportunity provided to the provider of record, including the date and time the URA offered the opportunity to discuss the adverse determination, the date and time that the discussion, if any, took place, and the discussion outcome.

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 November 9, 2026.

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

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TITLE 31. NATURAL RESOURCES AND CONSERVATION

PART 10. TEXAS WATER DEVELOPMENT BOARD

CHAPTER 367. AGRICULTURAL WATER CONSERVATION PROGRAM

31 TAC §§367.2 - 367.7, 367.12 - 367.14, 367.16

The Texas Water Development Board (TWDB) adopts 31 Texas Administrative Code §§367.2 - 367.7, 367.12 - 367.14, and 367.16. Section 367.2 is adopted with changes to the proposal as published in the August 7, 2026, issue of the *Texas Register* (51 TexReg 5146) and will be republished. Sections 367.3 - 367.7, 367.12 - 367.14, and 367.16 are adopted without changes and will not be republished.

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

The rules add a definition of "agricultural" to the text of Chapter 367. Additionally, the rules add the phrase throughout the chapter to clarify that the use of the Agricultural Water Conservation Fund is only for agricultural conservation projects or programs. This rulemaking defines agricultural and clarifies the type of conservation projects or programs eligible for an agricultural water conservation grant to stakeholders.

SECTION BY SECTION DISCUSSION OF ADOPTED AMENDMENTS.

Section 367.2. Definition.

The TWDB adopts adding a definition for the term "agricultural" to read as follows:

Related to the production of food, fiber, or other agricultural projects.

(A) The term includes:

(i) the cultivation of soil to produce crops;

(ii) horticulture, floriculture, or viticulture;

(iii) aquaculture as defined in Texas Agriculture Code, §134.001;

(iv) forestry; and

(v) the raising or keeping of livestock or poultry.

(B) The term does not include activities that are primarily industrial or municipal in nature.

Pursuant to public comment and in order to avoid any confusion, this definition no longer explicitly excludes activities that are primarily commercial in nature. The rules also correct a typo from "an" to "a" in the definition of "construction." The rules add the phrase "agricultural" to modify "conservation program or project" in the definition of "eligible cost." Because of the addition of a new definition, and to maintain the definitions in alphabetical order, the definitions in this section are renumbered. The adoption also adds the word "construction" as the defined term in (5) to correct a typographical error in the proposal.

Section 367.3. Eligible Uses of the Fund.

The rules add the term "agricultural" to modify the terms "conservation program" and "conservation project" throughout this section. This addition will clarify that the Agricultural Water Conservation Fund may only be used to provide funding for agricultural conservation programs and agricultural conservation projects.

Section 367.4. Determination of Availability.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

Section 367.5. Application Requirements.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

Section 367.6. Application with Engineering Report.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

Section 367.7. Application with Environmental Assessment.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

Section 367.12. Construction Requirements.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter. The rules also fix a typo from "insure" to "ensure" for clarity purposes.

Section 367.13. Amendments to a Program or Project.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

Section 367.14. Reporting Requirements for Loans.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

Section 367.16. Conditions prior to Execution.

The rules add the term "agricultural" to modify "conservation program or project." This is a conforming change to be consistent with changes throughout the chapter.

REGULATORY IMPACT ANALYSIS DETERMINATION (Texas Government Code §2001.0225)

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

Even if the rule were a major environmental rule, Texas Government Code §2001.0225 still would not apply to this rulemaking because Texas Government Code §2001.0225 only applies to a major environmental rule, the result of which is to: (1) exceed a standard set by federal law, unless the rule is specifically required by state law; (2) exceed an express requirement of state law, unless the rule is specifically required by federal law; (3) exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; or (4) adopt a rule solely under the general powers of the agency instead of under a specific state law. This rulemaking does not meet any of these four applicability criteria because it: (1) does not exceed any federal law; (2) does not exceed an express requirement of state law; (3) does not exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; and (4) is not adopted solely under the general powers of the agency, but rather Texas Water Code §17.912. Therefore, this rule does not fall under any of the applicability criteria in Texas Government Code §2001.0225.

TAKINGS IMPACT ASSESSMENT (Texas Government Code §2007.043)

The TWDB evaluated this rule and performed an analysis of whether it constitutes a taking under Texas Government Code, Chapter 2007. The specific purpose of this rule is to clarify requirements for TWDB grantees and borrowers for the Agricultural Water Conservation Fund. The rule would substantially advance this stated purpose by aligning definitions with agency and industry practice and providing greater detail on eligibility.

The TWDB's analysis indicates that Texas Government Code, Chapter 2007, does not apply to this rule because this is an action that is reasonably taken to fulfill an obligation mandated by state law, which is exempt under Texas Government Code §2007.003(b)(4). The TWDB is the agency that implements the Agricultural Water Conservation Program.

Nevertheless, the TWDB further evaluated this rule and performed an assessment of whether it constitutes a taking under Texas Government Code Chapter 2007. Promulgation and enforcement of this rule would be neither a statutory nor a constitutional taking of private real property. Specifically, the subject rule does not affect a landowner's rights in private real property because this rulemaking does not burden, restrict, or limit the owner's right to property and reduce its value by 25% or more beyond that which would otherwise exist in the absence of the regulation. In other words, this rule clarifies requirements for TWDB grantees and borrowers for the Agricultural Water Conservation Fund. Therefore, the rule does not constitute a taking under Texas Government Code, Chapter 2007.

PUBLIC COMMENTS (Texas Government Code §2001.033(a)(1))

The proposed rules were open for a 30-day public comment period that ended on September 7, 2026. The TWDB received ten public comments. The TWDB adopts one change to the rule based on those public comments. TWDB's response to relevant comments are listed below.

Comment:

The Rolling Plains Groundwater Conservation District, the Texas Alliance for Water Conservation, Janet Machen, and Barry Evans commented to support the proposed rulemaking.

Response:

The TWDB acknowledges these comments. No changes were made to the rules in response.

Comment:

Susan Conway commented to expand the list of expressly recognized agricultural activities, in particular to include beekeeping, apiaries, bees, honey production, and agricultural pollination activities. Mark and D Aikin also commented to specifically recognize bees and agricultural pollination; forestry, silviculture,

and timber production; and ranching, grazing, livestock, pasture, hay, and forage activities.

Response:

The TWDB acknowledges the comments. No changes were made to the rules in response because a comprehensive enumeration of agricultural sectors and practices creates the risk that certain legitimate agricultural activities could be unintentionally omitted. A broader definition is intended to encompass the full range of agricultural activities without limiting eligibility to only those specifically identified. A broader definition helps ensure the rule remains inclusive, adaptable, and applicable to the full range of agricultural operations in Texas. The adopted definition provides a non-exhaustive list of activities.

Comment:

Susan Conway commented to revise or remove the term "commercial" from the definition. Mark and D Aikin commented that agriculture should not lose its status because products are sold. Steve Conroy commented to clarify that agriculture remains agricultural even when products are sold.

Response:

Pursuant to these comments, the TWDB has removed the term "commercial" from the exclusion. Agricultural operations are inherently economic activities, and use of the term could create ambiguity regarding whether otherwise eligible agricultural activities are excluded solely because they involve the sale of agricultural products or services. Removing the term provides greater clarity while maintaining the exclusion of non-agricultural municipal and industrial activities.

Comment:

Susan Conway commented to recognize agricultural support and value-added activities in the definition.

Response:

The TWDB acknowledges the comment. No changes were made to the rules in response as these activities are already encompassed within the existing definitions of "conservation project" and "conservation program".

Comment:

Susan Conway commented to make the definition consistent with broader Texas agricultural definitions.

Response:

The TWDB acknowledges the comment. No changes were made to the rules in response as a comprehensive review of Texas statutes and rules defining agriculture was conducted and TWDB considered those authorities in developing the proposed definition. The definition is consistent with the broader treatment of agriculture under Texas law.

Comment:

Susan Conway commented to use a broader definition while still excluding unrelated non-agricultural activities.

Response:

The TWDB acknowledges the comment. No changes were made to the rules in response as this has been addressed through removal of the term "commercial" from the exclusionary language. The definition is broadly drafted and further attempts to expand the definition by enumerating agricultural activities or, conversely, by exhaustively identifying non-agricultural activities, would be impractical and could result in unintended omissions and ambiguities.

Comment:

Pete Flores commented to agree the term agricultural be added to the definition and ensure water is used for agricultural purposes and not data centers.

Response:

The TWDB acknowledges the comment. The TWDB made the modification to the definition by removing the term commercial from the exclusions.

Comment:

American Farmland Trust commented to clarify that agrivoltaic agricultural activities remain agricultural and that agrivoltaic producers remain eligible for agricultural conservation programs.

Response:

Pursuant to this public comment, the TWDB made the modification to the definition by removing the term commercial from the exclusions. No further changes were made to the rules in response because conservation programs are defined in Section 367.2.

Comment:

Steve Conroy commented to use the Internal Revenue Service definition/framework for agriculture for the definition.

Response:

The TWDB acknowledges the comment. Staff conducted a comprehensive review of numerous Texas statutory and regulatory definitions of agriculture when developing the proposed definition. Because Chapter 367 is a Texas administrative rule, TWDB believes it is more appropriate to rely upon definitions and concepts recognized in Texas statutes and administrative rules rather than federal tax classifications developed for tax administration purposes.

STATUTORY AUTHORITY (Texas Government Code §2001.033(a)(2))

The amendment is adopted under the authority of Texas Water Code §6.101, which provides the TWDB with the authority to adopt rules necessary to carry out the powers and duties in the Water Code and other laws of the State, and also under the authority of Texas Water Code §17.912.

This rulemaking affects Water Code, Chapter 17.

§367.2. Definitions.

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

(1) Agricultural--Related to the production of food, fiber, or other agricultural projects.

(A) The term includes:

(i) the cultivation of soil to produce crops;

(ii) horticulture, floriculture, or viticulture;

(iii) aquaculture as defined in Texas Agriculture Code, §134.001;

(iv) forestry; and

(v) the raising or keeping of livestock or poultry.

(B) The term does not include activities that are primarily industrial or municipal in nature;

(2) Board--The governing body of the Texas Water Development Board.

(3) Conservation program--A program that is:

(A) an agricultural water conservation technical assistance program, including a program for an on-farm soil and water conservation plan developed jointly by a landowner, an operator, and a local soil and water conservation district as provided by Subchapter H, Chapter 201, Agriculture Code;

(B) a research, demonstration, technology transfer, or educational program relating to agricultural water use and conservation;

(C) a precipitation enhancement program in an area of the state where the program, in the board's judgment, would be most effective;

(D) administered by a state agency that provides funding to a political subdivision or person for a conservation project; or

(E) administered by a political subdivision that provides loans to a person for a conservation project.

(4) Conservation project--A project that:

(A) improves water use efficiency of water delivery and application on existing irrigation systems;

(B) prepares irrigated land for conversion to dryland conditions;

(C) prepares dryland for more efficient use of natural precipitation;

(D) purchases and installs on public or private property devices designed to indicate the amount of water withdrawn for irrigation purposes; or

(E) prepares and maintains land to be used for brush control activities in areas of the state where those activities in the board's judgment would be most effective, including activities conducted under Chapter 203, Agriculture Code.

(5) Construction--The actual construction, alteration, or repair of a fixed improvement to real property requiring the preparation of plans, designs or drawings that are required to be prepared by a professional engineer licensed in the State of Texas.

(6) Eligible cost--Costs of the capital equipment, materials, labor, preparation, installation, or administration directly associated with implementing and completing an agricultural conservation program or project.

(7) Eligible lending institution--a financial institution that makes commercial loans, is either a designated depository of state funds by the Texas comptroller of public accounts, herein referred to as a state depository, or an institution of the Farm Credit System headquartered in this state, and agrees to participate in a linked deposit program established under Water Code §17.905 and is willing to agree to provide collateral equal to the amount of linked deposits placed with it.

(8) Executive administrator--The executive administrator of the Texas Water Development Board, or an authorized representative of the executive administrator.

(9) Fund--The agricultural water conservation fund authorized by Section 50-d, Article III, of the Texas Constitution.

(10) Linked Deposit--a deposit governed by a linked deposit agreement between the board and an eligible lending institution that requires that:

(A) the eligible lending institution pay interest to the board on the deposit at a rate equal to the asking yield for a U.S. Treasury note with a twelve-month maturity as of the date five days preceding the submission of all the documents required of the eligible lending institution to the executive administrator requesting a linked deposit agreement;

(B) the state not withdraw any part of the deposit except as according to the terms of the linked deposit agreement and the terms of this division; and

(C) the eligible lending institution agree to lend the value of the deposit to a person at a rate not to exceed the interest paid by the eligible lending institution to the board plus four percent;

(11) Linked Deposit Agreement--a written agreement between the board, acting through the executive administrator, and an eligible lending institution providing for the deposit by the board of an amount of money from the fund with the eligible lending institution executed pursuant to the authority and according to the conditions of this chapter.

(12) Person--An individual, corporation, partnership, association, or other legal entity that is not a political subdivision.

(13) Pledged security--Means the securities authorized by these rules and the linked deposit agreement to secure the board's deposit of funds with the eligible lending institution.

(14) Political subdivision--Includes a municipality, county, district or authority created under the Texas Constitution Article III, Section 52, or Article XVI, Section 59, an institution of higher education as defined by §61.003, Education Code, any interstate compact commission to which the state is a party, and any nonprofit water supply corporation created and operating under Texas Water Code Chapter 67.

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-202604821
Ashley Harden
General Counsel
Texas Water Development Board
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Proposal publication date: August 7, 2026
For further information, please call: (512) 475-1673

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TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 9. PROPERTY TAX ADMINISTRATION

SUBCHAPTER I. VALUATION PROCEDURES

34 TAC §9.4001

The Comptroller of Public Accounts adopts amendments to §9.4001, concerning valuation of open-space and agricultural lands, without changes to the proposed text as published in the May 29, 2026, issue of the *Texas Register* (51 TexReg 3688). The rule will not be republished.

Pursuant to Tax Code, §23.52(d), the rule has been approved by the comptroller with the review and counsel of the Department of Agriculture.

These amendments are to reflect updates and revisions to the manual for the appraisal of agricultural land. The adopted updated manual may be viewed at: https://comptroller.texas.gov/taxes/property-tax/docs/96-300.pdf.

The manual sets forth the methods to apply and the procedures to use in qualifying and appraising land used for agriculture and open-space land under Tax Code, Chapter 23, Subchapters C and D. The amendments update and revise the October 2024 manual for the appraisal of agricultural land including updating footnotes, years and values. The amendments also incorporate legislative changes regarding change for ownership and late application for special appraisal.

The comptroller received comments regarding adoption of the amendment from John Brusniak. Mr. Brusniak suggests that the proposed manual should not state as a categorical rule that cotton ginning constitutes processing. He requests that the comptroller should revise the nonqualifying agricultural activities subsection to clarify that the distinction between production and processing must be determined in light of the facts and applicable law and remove the categorical statement that "ginning constitutes processing." The comptroller declines to make changes based on this comment because the manual already adequately advises chief appraisers on page 8 with the existing sentences: "In such cases, the line between production and processing activities can become extremely fine. Chief appraisers must be certain to gather all facts necessary for making an accurate distinction. No rules clearly distinguish between production and processing."

Mr. Brusniak also suggests that the manual be revised throughout to make clear that classification and subclassification are mandatory whenever differences in productive capacity exist and that the statutory factors identified in Tax Code, §23.51(3) are intended to be actively utilized rather than treated as optional considerations. The comptroller declines to make changes based on this comment. The manual already adequately advises on page 26 and Appendix C on the various factors that go into classifying and subclassifying land. And page 19 includes Tax Code, §23.51(3), which requires chief appraisers to determine land categories.

Mr. Brusniak also suggests that the manual provide further guidance on the distinction between improved pasture and native pasture, the treatment of wasteland and the extent to which acreage classified as waste may exist within an otherwise qualifying tract. The comptroller declines to make changes based on this comment because the manual incorporates the guidance provided by the legislature regarding these classifications, and includes Tax Code, §23.51(3), which requires chief appraisers to determine categories existing in their district, and requires them to obtain information from recognized agricultural sources.

These amendments are adopted under Tax Code, §§5.05 (Appraisal Manuals and Other Materials); 23.41 (Appraisal); and 23.52 (Appraisal of Qualified Agricultural Land), which provide the comptroller with the authority to prepare and issue publications relating to the appraisal of property and to promulgate rules specifying the methods to apply and the procedures to use in appraising qualified agricultural and open-space land for ad valorem tax purposes.

These amendments implement Tax Code, Chapter 23, Subchapters C and D.

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

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Chris Blackwell
General Counsel and Associate Deputy Comptroller
Comptroller of Public Accounts
Effective date: December 3, 2026
Proposal publication date: May 29, 2026
For further information, please call: (512) 475-2220

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34 TAC §9.4011

The Comptroller of Public Accounts adopts amendments to §9.4011, concerning appraisal of timberlands, without changes to the proposed text as published in the May 29, 2026, issue of the *Texas Register* (51 TexReg 3689). The rule will not be republished.

These amendments are to reflect updates and revisions to the manual for the appraisal of timberland. The proposed updated manual may be viewed at https://comptroller.texas.gov/taxes/property-tax/docs/96-357.pdf.

The manual sets forth the methods to apply and the procedures to use in qualifying and appraising timberland and restricted-use timberland under Tax Code, Chapter 23, Subchapters E and H. The amendments update and revise the October 2024 manual for the appraisal of timberland including updating footnotes, years and values. The amendments also incorporate legislative changes regarding the late application for appraisal as timberland.

The comptroller did not receive any comments regarding adoption of the amendments.

These amendments are adopted under Tax Code, §§5.05 (Appraisal Manuals and Other Materials); 23.73 (Appraisal of Qualified Timber Land); and 23.9803 (Appraisal of Qualified Restricted-Use Timber Land), which authorize the comptroller to prepare and issue publications relating to the appraisal of property and to promulgate rules specifying the methods to apply and the procedures to use in appraising timberland and restricted-use timberland for ad valorem tax purposes.

These amendments implement Tax Code, Chapter 23, Subchapters E and H.

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

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Chris Blackwell
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TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 20. TEXAS WORKFORCE COMMISSION

CHAPTER 800. GENERAL ADMINISTRATION

The Texas Workforce Commission (TWC) adopts amendments to the following sections of Chapter 800, relating to General Administration:

Subchapter A. General Provisions, §800.2

Subchapter B. Allocations, §§800.57, 800.58, and 800.68

Subchapter F. Interagency Matters, §800.201 and §800.205

Subchapter G. Petition for Adoption of Rules, §§800.251 - 800.255

Subchapter H. Vendor Protests, §800.301

Subchapter I. Enhanced Contract Monitoring, §§800.350 - 800.352

Subchapter L. Workforce Diploma Pilot Program, §800.502

TWC adopts the repeal of the following section of Chapter 800, relating to General Administration:

Subchapter B. Allocations, §800.69

Subchapter F. Interagency Matters, §§800.202 - 800.204

Amended §§800.2, 800.57, 800.58, 800.68, 800.201, 800.205, 800.251 - 800.255, 800.301, 800.350 - 800.352, 800.502, and repealed §§800.69 and 800.202 - 800.204 are adopted without changes to the proposal, as published in the August 7, 2026, issue of the *Texas Register* (51 TexReg 5155), and, therefore, the adopted rule text will not be published.

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the Chapter 800 rule change is to make technical, clarifying, and conforming updates throughout the chapter. These revisions modernize the text by repealing obsolete rules, updating references, and ensuring consistency across TWC's rules.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

(Note: Minor editorial changes are made that do not change the meaning of the rules and, therefore, are not discussed in the Explanation of Individual Provisions.)

SUBCHAPTER A. GENERAL PROVISIONS

TWC adopts the following amendments to Subchapter A:

§800.2. Definitions

Section 800.2 is amended to update a reference to federal regulation in the definition of "Board," rearrange the order of the definitions of "Trade Act Services" and "Texas Workforce Investment Council," and make minor stylistic changes.

SUBCHAPTER B. ALLOCATIONS

TWC adopts the following amendments to Subchapter B:

§800.57. Employment Services

Section 800.57 is amended to better align Employment Services allocations with the flexibility TWC is granted by both federal and state laws, including Texas Labor Code, §302.062.

§800.58. Child Care

Section 800.58 is amended to refine the rule and require that the child care allocation must be sufficient to ensure that children eligible for the first priority group described in 40 TAC §809.43 are assured child care services. This section is also amended to align with Texas Government Code, §2308.317, regarding the minimum 2 percent of each Board child care allocation that must be used for quality child care initiatives.

§800.68. Adult Education and Literacy

Section 800.68 is amended to require grant funds be awarded to entities with demonstrated effectiveness through a competitive procurement process. This section is also amended to align with Texas Labor Code, §315.002(b-1), which states that the Commission will establish performance requirements that grant recipients must satisfy to qualify for a continuing award of funds based on achievement of enrollment targets and performance benchmarks as well as prioritizing funds to grant recipients who consistently satisfy those enrollment targets and performance benchmarks. Separately, Texas Labor Code, §315.007, requires that the Commission also establish criteria that support additional performance incentive funding for grant recipients who meet specific criteria annually.

§800.69. Integrated English Literacy and Civics Education Program

Section 800.69 is repealed because Adult Education and Literacy Integrated English Literacy and Civics Education grants are awarded based on procurement only, and no factor data allocations are performed. Grantees continue to be awarded the same proportional allocation each year of the contract grant based on available funds per Workforce Innovation and Opportunity Act, Section 243.

SUBCHAPTER F. INTERAGENCY MATTERS

TWC adopts the following amendments to Subchapter F:

§800.201. Title and Purpose

Section 800.201 is amended to more accurately describe the subchapter's purpose.

§800.202. Memorandum of Understanding with Texas Commission for the Deaf and Hard of Hearing

Section 800.202 is repealed because it is no longer statutorily required and, therefore, unnecessary. Texas Human Resources Code, §81.017(a), requires TWC and other state agencies to adopt an MOU to coordinate the delivery of services to people who are deaf or hard of hearing and reduce duplication of services. While the original statute, enacted by House Bill (HB) 550, 70th Texas Legislature, 1987, required the agencies to adopt the

MOU by rule, HB 1401, 76th Texas Legislature, Regular Session, 1999, removed that requirement.

§800.203. Memorandum of Understanding with Texas Education Agency

Section 800.203 is repealed because it is outdated and no longer statutorily required. HB 2823, 78th Texas Legislature, Regular Session, 2003, amended Texas Education Code, §29.011(a), to remove the requirement for an interagency MOU concerning transition planning for students enrolled in special education. Furthermore, the rule's reference to 19 TAC §89.1110 is obsolete, as that section has been repealed by the Texas Education Agency.

§800.204. Memorandum of Understanding with Texas Department of Economic Development

Section 800.204 is repealed because it is outdated and no longer statutorily required.

Senate Bill 275 (SB 275), 78th Texas Legislature, Regular Session, 2003, repealed Texas Government Code, §481.028, which had directed the Texas Department of Economic Development (TDED) to enter into memoranda of understanding with TWC.

SB 275 also abolished TDED and transferred its powers to the Office of the Governor (OOG).

Subsequently, OOG repealed its corresponding administrative rule, 10 TAC §195.2 (Memorandum of Understanding with the Texas Workforce Commission).

§800.205. Memoranda of Understanding with a Governmental Entity Pursuant to Texas Government Code §497.0596(a)(4)

Section 800.205 is amended to update the mailing address for requesting a copy of an MOU, make minor style and clarifying changes to the rule language, and replace "Memoranda" with "Memorandum" in the section title.

SUBCHAPTER G. PETITION FOR ADOPTION OF RULES

TWC adopts the following amendments to Subchapter G:

§800.251. Title and Purpose

Section 800.251 is renamed "Purpose" and amended to more accurately describe the subchapter's purpose.

§800.252. Definitions

Section 800.252 is amended to define "petition" and remove the definition for "Commission," because it is defined in §800.2(7).

§800.253. Submission and Petition Requirements

Section 800.253 is amended to clarify the minimum required contents of a petition.

§800.254. Review of Petition

Section 800.254 is amended to clarify that "days" means calendar days.

§800.255. Commission Decision and Action

Section 800.255 is amended to clarify when the Commission shall issue its final decision in response to a petition.

SUBCHAPTER H. VENDOR PROTESTS

TWC adopts the following amendments to Subchapter H:

§800.301. Vendor Protest Procedures

Section 800.301 is amended to add a designated email address as an acceptable way for a vendor to submit a formal protest to TWC.

SUBCHAPTER I. ENHANCED CONTRACT MONITORING

TWC adopts the following amendments to Subchapter I:

§800.350. Purpose and Scope

Section 800.350 is amended to add two more specific types of state agency contracts exempt from the enhanced monitoring provisions under Texas Government Code, §2261.253(c).

§800.351. Enhanced Contract Monitoring Policy

Section 800.351 is amended to change the name of the Regulatory Integrity Division to "Fraud Deterrence and Compliance Monitoring."

§800.352. Reporting of Enhanced Contract Monitoring

Section 800.352 is renamed "Reporting on Enhanced Contract Monitoring."

Section 800.352 is amended to refine TWC's enhanced contract monitoring reporting process, including the reporting of any contract with a total contract value exceeding $1 million, as required under Texas Government Code, §2261.254.

SUBCHAPTER L. WORKFORCE DIPLOMA PILOT PROGRAM

TWC adopts the following amendments to Subchapter L:

§800.502. Request for Qualifications and List of Qualified Providers

Section 800.502 is amended to add new §800.502(d) to specify that an approved provider does not need to reapply to participate in the Workforce Diploma Pilot program unless the provider has been removed from the list for not meeting the minimum performance standards for two consecutive calendar years.

PART III. PUBLIC COMMENTS

The comment period ended on September 7, 2026. No comments were received.

SUBCHAPTER A. GENERAL PROVISIONS

40 TAC §800.2

PART IV. STATUTORY AUTHORITY

The rule is adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

The adopted rule relates to Texas Labor Code, Chapter 301.

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 November 10, 2026.

TRD-202604781

Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER B. ALLOCATIONS

40 TAC §§800.57, 800.58, 800.68

The rules are adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

--Texas Labor Code, §302.002(d), which requires TWC to adopt rules as necessary for the administration of workforce programs.

--Texas Labor Code, §315.002(d), which allows TWC to adopt rules for the administration of adult education and literacy (AEL) programs.

--Texas Labor Code, §315.007(a), which requires TWC to adopt rules establishing a performance-based process for awarding funds for the provision of AEL services.

The adopted rules relate to Texas Labor Code, Chapters 302 and 315.

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 November 10, 2026.

TRD-202604782
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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40 TAC §800.69

The repeal is adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

--Texas Labor Code, §302.002(d), which requires TWC to adopt rules as necessary for the administration of workforce programs.

--Texas Labor Code, §315.002(d), which allows TWC to adopt rules for the administration of adult education and literacy (AEL) programs.

--Texas Labor Code, §315.007(a), which requires TWC to adopt rules establishing a performance-based process for awarding funds for the provision of AEL services.

The adopted repeal relates to Texas Labor Code, Chapters 302 and 315.

§800.69. Integrated English Literacy and Civics Education Program.

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604783
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER F. INTERAGENCY MATTERS

40 TAC §800.201

The rule is adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

The adopted rule relates to Texas Labor Code, Chapter 301.

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 November 10, 2026.

TRD-202604784
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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40 TAC §§800.202 - 800.204

The repeals are adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

The adopted repeals relate to Texas Labor Code, Chapter 301.

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 November 10, 2026.

TRD-202604785

Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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40 TAC §800.205

The rule is adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

The adopted rule relates to Texas Labor Code, Chapter 301.

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 November 10, 2026.

TRD-202604786
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER G. PETITION FOR ADOPTION OF RULES

40 TAC §§800.251 - 800.255

The rules are adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

--Texas Government Code, §2001.021, which requires state agencies to adopt rules establishing procedures for a petition for rulemaking.

The adopted rules relate to Texas Government Code, Chapter 2001.

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 November 10, 2026.

TRD-202604787
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER H. VENDOR PROTESTS

40 TAC §800.301

The rule is adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

--Texas Government Code, §2155.076, which requires state agencies to adopt rules for resolving vendor protests relating to purchasing issues.

The adopted rule relates to Texas Government Code, Chapter 2155.

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 November 10, 2026.

TRD-202604788
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER I. ENHANCED CONTRACT MONITORING

40 TAC §§800.350 - 800.352

The rules are adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

--Texas Government Code, §2261.253(c), which requires state agencies to adopt rules establishing a procedure to identify each contract that requires enhanced contract or performance monitoring.

The adopted rules relate to Texas Government Code, Chapter 2261.

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 November 10, 2026.

TRD-202604789
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER L. WORKFORCE DIPLOMA PILOT PROGRAM

40 TAC §800.502

The rule is adopted under the following statutory authority:

--Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules necessary for the effective administration of TWC services and activities.

--Texas Labor Code, §302.002(d)

--Texas Labor Code, §317.008(a), which requires TWC to adopt rules establishing minimum performance standards for providers participating in the Workforce Diploma Pilot Program.

The adopted rule relates to Texas Labor Code, Chapters 302 and 317.

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 November 10, 2026.

TRD-202604791
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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CHAPTER 815. UNEMPLOYMENT INSURANCE

TWC adopts amendments to the following sections of Chapter 815, relating to Unemployment Insurance:

Subchapter A. General Provisions, §815.1 and §815.3

Subchapter B. Benefits, Claims and Appeals, §815.21 and §815.25

Subchapter C. Tax Provisions, §815.113 and §815.115

Subchapter E. Confidentiality and Disclosure of State Unemployment Compensation Information, §815.165

Amended §§815.1, 815.3, 815.21, 815.25, 815.113, 815.115, and 815.165 are adopted without changes to the proposal, as published in the August 7, 2026, issue of the *Texas Register* (51 TexReg 5165), and, therefore, the adopted rule text will not be published.

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the Chapter 815 rulemaking is to implement clarifying changes to definitions and terminology, specify requirements for address notifications and the delivery of TWC notices, establish consistent procedures for Commission hearings, provide clearer guidelines for approved training, and update references to federal law and regulation.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

(Note: Minor editorial changes are made that do not change the meaning of the rules and, therefore, are not discussed in the Explanation of Individual Provisions.)

SUBCHAPTER A. GENERAL PROVISIONS

TWC adopts the following amendments to Subchapter A:

§815.1. Definitions

Section 815.1 is amended to relocate the definition of "agent state" from §815.21 to this section, so that it is with the other definitions that apply to more than one section. The definition of "Board" is amended to assign it the same meaning as defined in §800.2 of this title. A definition for "mailing date" is added pertaining to correspondence sent by TWC.

§815.3. Addresses

Section 815.3 is amended to further specify which individuals under employment must promptly notify TWC of any change of address and to detail which recorded claimant or employer address should be used when delivering a notice of initial claim versus other TWC notices.

SUBCHAPTER B. BENEFITS, CLAIMS, AND APPEALS

TWC adopts the following amendments to Subchapter B:

§815.21. Interstate Claims

Section 815.21 is amended to remove the definition of "agent state" and relocate it under §815.1 with the other definitions for Chapter 815.

§815.25. Approval of Training

Section 815.25 is amended to update terminology and clarify which types of training shall be considered approved by TWC.

SUBCHAPTER C. TAX PROVISIONS

TWC adopts the following amendments to Subchapter C:

§815.113. Commission Hearings Involving Coverage and Contributions or Reimbursements

Section 815.113 is amended to establish consistent procedures, including: a reopening process for employers that miss a hearing, clearer guidelines for granting in-person hearings, criteria for granting a motion for reconsideration without further hearing, provisions for a rehearing while affirming a prior decision, and a distinction between motions for reconsideration and rehearing.

§815.115. Contribution and Wage Reports Covering Seamen and Seamen's Wages Paid under Shipping Articles

Section 815.115 is amended to update a reference to federal law.

SUBCHAPTER E. CONFIDENTIALITY AND DISCLOSURE OF STATE UNEMPLOYMENT COMPENSATION INFORMATION

TWC adopts the following amendments to Subchapter E:

§815.165. Exceptions to Confidentiality Requirements

Section 815.165 is amended to update a reference to federal regulation.

PART III. PUBLIC COMMENTS

The comment period ended on September 7, 2026. No comments were received.

SUBCHAPTER A. GENERAL PROVISIONS

40 TAC §815.1, §815.3

PART IV. STATUTORY AUTHORITY

The rules are adopted under Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The adopted rules relate to Texas Labor Code, Title 4, Subtitle A, The Texas Unemployment Compensation Act.

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604790
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER B. BENEFITS, CLAIMS, AND APPEALS

40 TAC §815.21, §815.25

The rules are adopted under Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The adopted rules relate to Texas Labor Code, Title 4, Subtitle A, The Texas Unemployment Compensation Act.

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604792
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER C. TAX PROVISIONS

40 TAC §815.113, §815.115

The rules are adopted under Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The adopted rules relate to Texas Labor Code, Title 4, Subtitle A, The Texas Unemployment Compensation Act.

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604793
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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SUBCHAPTER E. CONFIDENTIALITY AND DISCLOSURE OF STATE UNEMPLOYMENT COMPENSATION INFORMATION

40 TAC §815.165

The rule is adopted under Texas Labor Code, §301.0015(a)(6), which provides TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The adopted rule relates to Texas Labor Code, Title 4, Subtitle A, The Texas Unemployment Compensation Act.

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

Filed with the Office of the Secretary of State on November 10, 2026.

TRD-202604794
Les Trobman
General Counsel
Texas Workforce Commission
Effective date: November 30, 2026
Proposal publication date: August 7, 2026
For further information, please call: (512) 626-5427

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Texas

REVIEW OF AGENCY RULES

This section contains notices of state agency rule review as directed by the Texas Government Code, §2001.039. Included here are proposed rule review notices, which invite public comment to specified rules under review; and adopted rule review notices, which summarize public comment received as part of the review. The complete text of an agency's rule being reviewed is available in the *Texas Administrative Code* on the Texas Secretary of State's website.

For questions about the content and subject matter of rules, please contact the state agency that is reviewing the rules. Questions about the website and printed copies of these notices may be directed to the *Texas Register* office.

Proposed Rule Reviews

Texas Health and Human Services Commission

Title 1, Part 15

The Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 1, Part 15, of the Texas Administrative Code (TAC):

Chapter 353, Medicaid Managed Care

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 353, Medicaid Managed Care, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to **hhsrulescoordinationoffice@hhs.texas.gov**.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 353" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 1, Part 15, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604975
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: November 18, 2026

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Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 1, Part 15, of the Texas Administrative Code (TAC):

Chapter 382, Women's Health Services

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 382, Women's Health Services, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to **hhsrulescoordinationoffice@hhs.texas.gov**.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 382" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 1, Part 15, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604973
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: November 18, 2026

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Credit Union Department

Title 7, Part 6

Chapter 91, Subchapter C, concerning members, consisting of §91.301 (Field of Membership, §91.302 (Election or other Membership Vote by Electronic Balloting, Early Voting, Absentee Voting, or Mail Balloting), §91.310 (Annual Report to Membership), and §91.315 (Members' Access to Credit Union Documents).

Chapter 91, Subchapter O, concerning trust powers, consisting of §91.6001 (Fiduciary Duties), §91.6002 (Fiduciary Capacities), §91.6003 (Notice Requirements), §91.6004 (Exercise of Fiduciary Powers, §91.6005 (Exemption from Notice), §91.6006 (Policies and Procedures), §91.6007 (Review of Fiduciary Accounts), §91.6008

(Recordkeeping), §91.6009 (Audit), §91.6010 (Custody of Fiduciary Assets), §91.6011 (Trust Funds), §91.6012 (Compensation, Gifts, and Bequests), §91.6013 (Bond Coverage), §91.6014 (Errors and Omissions Insurance, and §91.6015 (Litigation File).

Chapter 91, Subchapter K, concerning credit union development districts, consisting of §91.2000 (Purpose and Scope), §91.2001 (Definitions), §91.2002 (Application Requirements to Establish a District), §91.2003 (Submission and Processing of Application), §91.2004 (Criteria for Approval of a District by the Commission), §91.2005 (Monitoring), and §91.2006 (Rulemaking and Amendment for this Subchapter).

This review will be conducted pursuant to Texas Government Code, §2001.039. The commission believes that the reasons for adopting the rules contained in these chapters continue to exist. The commission will accept written comments received on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register* as to whether the reasons for adopting these rules continue to exist. The commission also invites comments on how to make these rules easier to understand. For example:

Does the rule organize the material to suit your needs? If not, how could the material be better organized?

Does the rule clearly state the requirements? If not, how could the rule be more clearly stated?

Does the rule contain technical language or jargon that is not clear? If so, what language requires clarification?

Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand? If so, what changes to the format would make the rule easier to understand?

Would more (but shorter) sections be better in any of the rules? If so, what sections should be changed?

Each rule will also be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the Credit Union Department.

Any questions or written comments pertaining to this notice should be directed to the Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699, or by email to cudmail@cud.texas.gov. Any proposed amendments as a result of the review will be published in the *Texas Register* in compliance with Texas Government Code, Chapter 2001, and will be open for an additional 31-day public comment period prior to final adoption or repeal by the commission.

TRD-202604974
Robert W. Etheridge
Commissioner
Credit Union Department
Filed: November 18, 2026

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Department of State Health Services

Title 25, Part 1

The Texas Health and Human Services Commission (HHSC), on behalf of the Texas Department of State Health Services (DSHS), proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 25, Part 1, of the Texas Administrative Code:

Chapter 37, Maternal and Infant Health Services

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 37, Specific Additional Requirements for Drugs, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to **hhsrulescoordinationoffice@hhs.texas.gov**.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 37" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 25, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604804
Jessica Miller
Director, Rules Coordination Office
Department of State Health Services
Filed: November 10, 2026

♦ ♦ ♦

The Texas Health and Human Services Commission (HHSC), in its own capacity and on behalf of the Texas Department of State Health Services (DSHS), proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 25, Part 1, of the Texas Administrative Code:

Chapter 230, Specific Additional Requirements for Drugs

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 230, Specific Additional Requirements for Drugs, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to **hhsrulescoordinationoffice@hhs.texas.gov**.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 230" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 25, Part 1, of the Texas Administrative Code or

on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604808
Jessica Miller
Director, Rules Coordination Office
Department of State Health Services
Filed: November 10, 2026

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The Texas Health and Human Services Commission (HHSC), on behalf of the Texas Department of State Health Services (DSHS), proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 25, Part 1, of the Texas Administrative Code:

Chapter 295, Occupational Health

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 295, Occupational Health, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to **hhsrulescoordinationoffice@hhs.texas.gov**.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 295" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 25, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604807
Jessica Miller
Director, Rules Coordination Office
Department of State Health Services
Filed: November 10, 2026

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Texas Health and Human Services Commission

Title 26, Part 1

The Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 281, Contracting to Provide Home-Delivered Meals

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 281, Contracting to Provide Home-Delivered Meals, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to **hhsrulescoordinationoffice@hhs.texas.gov**.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 281" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 26, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604852
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: November 16, 2026

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Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 320, Rights of Individuals

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 320, Rights of Individuals, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to hhsrulescoordinationoffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 320" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 26, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604977

Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: November 18, 2026

♦ ♦ ♦

The Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 926, State Facility Requirements to Enhance the Safety of Individuals Receiving Services

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 926, State Facility Requirements to Enhance the Safety of Individuals Receiving Services, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or by email to hhsrulescoordinationoffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 926" in the subject line.

The text of the rule sections being reviewed will not be published but may be found in Title 26, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202604976
Jessica Miller
Director, Rules Coordination Office
Health and Human Services Commission
Filed: November 18, 2026

♦ ♦ ♦

Texas Veterans Commission

Title 40, Part 15

Pursuant to Texas Government Code § 2001.039, the Texas Veterans Commission ("Commission") will review Title 40 Part 15 Texas Administrative Code ("TAC") Chapter 457. The Commission will consider whether the reasons for initially adopting this rule continue to exist and determine whether this rule should be repealed, readopted, or readopted with amendments.

The text of the rule sections will not be published. The text of the rule may be found in the TAC, Title 40, Social Services and Assistance, Part 15. Chapter 457. Protests of Agency Purchases.

40 TAC §457.1

The Commission will accept comments for 30 days following the publication of this notice in the *Texas Register.* Comments pertaining to this rule review may be submitted in writing to Catherine Baron, General Counsel, Texas Veterans Commission, P.O. Box 12277, Austin, Texas 78711-2277, or faxed to (512) 475-2395, or emailed to *rulemaking@tvc.texas.gov*. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 457" in the subject line.

During the review process, the Commission may determine that a specific rule may need to be amended to further refine the Commission's legal and policy considerations; whether a rule reflects current Commission procedures; that no changes to a rule as currently in effect are necessary; or that a rule is no longer valid or applicable. Rules may also be combined or reduced for simplification and clarity when feasible. Any proposed changes to these chapters or subchapters because of this review will be published in the "Proposed Rules" section of the *Texas Register* and will be open for an additional 30-day public comment period prior to adoption by the Commission.

TRD-202604991
Catherine Baron
General Counsel
Texas Veterans Commission
Filed: November 18, 2026

♦ ♦ ♦

Pursuant to Texas Government Code § 2001.039, the Texas Veterans Commission (the "Commission") will review 40 Texas Administrative Code ("TAC"), Part 15, Chapter 460 subchapters A-E. The Commission will consider whether the reasons for initially adopting these rules continue to exist and determine whether these rules should be repealed, readopted, or readopted with amendments.

The text of the rule sections will not be published. The text of the rules may be found in the 40 TAC, Part 15, Chapter 460.

Chapter 460. Fund For Veterans' Assistance Program

Subchapter A. General Provisions Regarding the Fund for Veterans' Assistance Program

40 TAC §460.1

40 TAC §460.2

40 TAC §460.3

40 TAC §460.4

40 TAC §460.5

40 TAC §460.6

40 TAC §460.7

40 TAC §460.8

40 TAC §460.9

40 TAC §460.10

40 TAC §460.11

40 TAC §460.12

40 TAC §460.16

40 TAC §460.17

40 TAC §460.18

Subchapter B. Monitoring Activities

40 TAC §460.20

40 TAC §460.21

40 TAC §460.22

40 TAC §460.23

40 TAC §460.24

Subchapter C. Corrective Action

40 TAC §460.30

40 TAC §460.31

40 TAC §460.32

40 TAC §460.33

40 TAC §460.34

Subchapter D. Deobligation of Grant Funds

40 TAC §460.40

40 TAC §460.41

40 TAC §460.42

40 TAC §460.43

Subchapter E. Appeals

40 TAC §460.50

40 TAC §460.51

40 TAC §460.52

40 TAC §460.53

The Commission will accept comments for 30 days following the publication of this notice in the *Texas Register.* Comments pertaining to this rule review may be submitted in writing to Catherine Baron, General Counsel, Texas Veterans Commission, P.O. Box 12277, Austin, Texas 78711-2277, or faxed to (512) 475-2395, or emailed to *rulemaking@tvc.texas.gov*. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 460" in the subject line.

During the review process, the Commission may determine that a specific rule may need to be amended to further refine the Commission's legal and policy considerations; whether a rule reflects current Commission procedures; that no changes to a rule as currently in effect are necessary; or that a rule is no longer valid or applicable. Rules may also be combined or reduced for simplification and clarity when feasible. Any proposed changes to these chapters or subchapters because of this review will be published in the "Proposed Rules" section of the *Texas Register* and will be open for an additional 30-day public comment period prior to adoption by the Commission.

TRD-202604985
Catherine Baron
General Counsel
Texas Veterans Commission
Filed: November 18, 2026

♦ ♦ ♦

Pursuant to Texas Government Code § 2001.039, the Texas Veterans Commission (the "Commission") will review 40 Texas Administrative Code ("TAC"), Part 15, Chapter 462. The Commission will consider whether the reasons for initially adopting these rules continue to exist and determine whether these rules should be repealed, readopted, or readopted with amendments.

The text of the rules may be found below and in 40 TAC Chapter 462.

Chapter 462. Energy Industry Program for Veteran Professional Development

40 TAC §462.1

40 TAC §462.2

40 TAC §462.3

40 TAC §462.4

The Commission will accept comments for 30 days following the publication of this notice in the *Texas Register.* Comments pertaining to this rule review may be submitted in writing to Catherine Baron, General Counsel, Texas Veterans Commission, P.O. Box 12277, Austin, Texas 78711-2277, or faxed to (512) 475-2395, or emailed to *rulemaking@tvc.texas.gov*. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 462" in the subject line.

During the review process, the Commission may determine that a specific rule may need to be amended to further refine the Commission's legal and policy considerations; whether a rule reflects current Commission procedures; that no changes to a rule as currently in effect are necessary; or that a rule is no longer valid or applicable. Rules may also be combined or reduced for simplification and clarity when feasible. Any proposed changes to these chapters or subchapters because of this review will be published in the "Proposed Rules" section of the *Texas Register* and will be open for an additional 30-day public comment period prior to adoption by the Commission.

TRD-202604992
Catherine Baron
General Counsel
Texas Veterans Commission
Filed: November 18, 2026

♦ ♦ ♦

Pursuant to Texas Government Code § 2001.039, the Texas Veterans Commission (the "Commission") will review 40 Texas Administrative Code ("TAC"), Part 15, Chapter 464. The Commission will consider whether the reasons for initially adopting these rules continue to exist and determine whether these rules should be repealed, readopted, or readopted with amendments.

The text of the rules may be found below and in 40 Texas Administrative Code Chapter 464.

Chapter 464. Citizenship Assistance for Veterans 40 TAC §464.1

40 TAC §464.2

40 TAC §464.3

The Commission will accept comments for 30 days following the publication of this notice in the *Texas Register.* Comments pertaining to this rule review may be submitted in writing to Catherine Baron, General Counsel, Texas Veterans Commission, P.O. Box 12277, Austin, Texas 78711-2277, or faxed to (512) 475-2395, or emailed to *rulemaking@tvc.texas.gov*. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 464" in the subject line.

During the review process, the Commission may determine that a specific rule may need to be amended to further refine the Commission's legal and policy considerations; whether a rule reflects current Commission procedures; that no changes to a rule as currently in effect are necessary; or that a rule is no longer valid or applicable. Rules may also be combined or reduced for simplification and clarity when feasible. Any proposed changes to these chapters or subchapters because of this review will be published in the "Proposed Rules" section of the *Texas Register* and will be open for an additional 30-day public comment period prior to adoption by the Commission.

§464.1. Authority and Purpose.

(a) Authority. The authority for this subchapter is provided in Texas Government Code § 434.0027, relating to citizenship assistance for veterans.

(b) Purpose. The purpose of citizenship assistance for veterans is to educate and direct veterans in becoming United States citizens; and to facilitate veterans' naturalization processes.

§464.2. Definitions.

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

(1) Veteran--A person who has been a member of the Army, Navy, Air Force, Marines, Space Force or Coast Guard of the United States.

(2) Commission--Texas Veterans Commission.

(3) USCIS--U.S. Citizenship and Immigration Services.

(4) INA--Immigration and Nationality Act.

§464.3. Process.

(a) To receive assistance from the Commission, a veteran must:

(1) request assistance from the Commission to obtain information on the citizenship process;

(2) provide required documentation to the USCIS to facilitate the citizenship process;

(3) follow through with requirements of the USCIS to complete the process for obtaining citizenship or naturalization; and

(4) agree to pay for any fees required by the USCIS to complete the process for obtaining citizenship or naturalization.

(b) The Commission assists veterans by providing information on federal resources that are available to assist them in the process. The Commission does not provide legal advice and does not file forms on behalf of veterans.

TRD-202604993
Catherine Baron
General Counsel
Texas Veterans Commission
Filed: November 18, 2026

♦ ♦ ♦

Adopted Rule Reviews

Texas State Library and Archives Commission

Title 13, Part 1

The Texas State Library and Archives Commission (TSLAC) adopts the review of Texas Administrative Code, Title 13, Part 1, Chapter 10, Archives and Historical Resources, in accordance with Texas Government Code §2001.039.

Notice of the review of this chapter was published in the June 26, 2026, issue of the *Texas Register* (51 TexReg 4217) for the purpose of receiving public comment. The comment period ended July 26, 2026. TSLAC did not receive any comments regarding the notice of review.

TSLAC reviewed Chapter 10 in accordance with Texas Government Code §2001.039 and determined that the reasons for adopting these rules continue to exist. Therefore, TSLAC readopts Chapter 10 in its entirety. However, TSLAC did identify several needed amendments and is proposing those amendments in this same issue of the *Texas Register*.

This concludes TSLAC's review of 13 TAC Chapter 10 as required by Texas Government Code §2001.039.

TRD-202604838
Sarah I. Swanson
General Counsel
Texas State Library and Archives Commission
Filed: November 13, 2026

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Texas Higher Education Coordinating Board

Title 19, Part 1

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 1, Subchapter O, Learning Technology Advisory Committee, §§1.185 - 1.190 without changes, and §1.191 with changes as published concurrently with this notice.

The proposed notice of review was published in the July 10, 2026, issue of the *Texas Register* (51 TexReg 4575). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 1.185 - 1.190 are readopted, and §1.191 is readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 1, Subchapter O, as required by the Texas Government Code, §2001.039.

TRD-202604904
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: November 17, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 4, Subchapter D, Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges, §§4.81 - 4.87 with changes as published concurrently with this notice.

The proposed notice of review was published in the August 7, 2026, issue of the *Texas Register* (51 TexReg 5255). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 4.81, 4.82, 4.83, 4.84, 4.85, 4.86, and 4.87 are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 4, Subchapter D, as required by the Texas Government Code, §2001.039.

TRD-202604911
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: November 17, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 11, Subchapter A, Purpose, Authority, and Definitions, §11.1 without changes, and §11.2 and §11.3 with changes as published concurrently with this notice.

The proposed notice of review was published in the July 10, 2026, issue of the *Texas Register* (51 TexReg 4575). No comments were received

regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting the rules continue to exist. Section 11.1 is readopted, and Sections 11.2 and 11.3 are readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 11, Subchapter A, as required by the Texas Government Code, §2001.039.

TRD-202604940
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: November 17, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 11, Subchapter B, General Provisions, §§11.21 - 11.25 and §§11.27 - 11.30.

The proposed notice of review was published in the July 10, 2026, issue of the *Texas Register* (51 TexReg 4575). No comments were received regarding the review of this subchapter. During its review, the Coordinating Board determined that the initial reasons for adopting this section still exist, but that it should be repealed and replaced with an updated version of Chapter 11, Subchapter B. New Chapter 11, Subchapter B is concurrently adopted in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 11, Subchapter B, as required by the Texas Government Code, §2001.039.

TRD-202604944
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: November 17, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 17, Subchapter D, Energy Saving Performance Contracts, §§17.40 - 17.42 without changes.

The proposed notice of review was published in the July 10, 2026, issue of the *Texas Register* (51 TexReg 4575). No comments were received regarding the review of this subchapter. During its review, the Coordinating Board determined that the initial reasons for adopting this section still exist, but that it should be amended at the April 2027 board meeting in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 17, Subchapter D, as required by the Texas Government Code, §2001.039.

TRD-202604948
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: November 17, 2026

♦ ♦ ♦

The Texas Higher Education Coordinating Board (Coordinating Board) adopts the review of Title 19, Part 1, Chapter 22, Subchapter G, Texas College Work-Study Program, §22.127 - 22.133 without changes, and §22.135 with changes as published concurrently with this notice.

The proposed notice of review was published in the August 7, 2026, issue of the *Texas Register* (51 TexReg 5255). No comments were received regarding the review of this chapter. During its review, the Coordinating Board determined that the initial reasons for adopting these sections continue to exist. Sections 22.127, 22.128, 22.129, 22.130, 22.131, 22.132, and 22.133 are readopted, and §22.135 is readopted with amendments in accordance with the requirements of the Government Code, §2001.039.

This concludes the Coordinating Board's review of Chapter 22, Subchapter G, as required by the Texas Government Code, §2001.039.

TRD-202604953
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: November 17, 2026

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Texas Real Estate Commission

Title 22, Part 23

In accordance with Texas Government Code §2001.039, the Texas Real Estate Commission (TREC) has concluded its review of Texas Administrative Code, Title 22, Part 23, Chapter 535, General Provisions. The notice of proposed rule review was published in the February 27, 2026, issue of the *Texas Register* (51 TexReg 1313).

TREC has determined that the reasoned justification for adopting Texas Administrative Code, Title 22, Part 23, Chapter 535 continues to exist.

No comments were received regarding TREC's notice of review. This notice concludes TREC's review of Texas Administrative Code, Title 22, Part 23, Chapter 535.

TRD-202604771
Abby Lee
General Counsel
Texas Real Estate Commission
Filed: November 9, 2026

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Texas Health and Human Services Commission

Title 26, Part 1

The Texas Health and Human Services Commission (HHSC) adopts the review of the chapter below in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 746, Minimum Standards for Child-Care Centers

Notice of the review of this chapter was published in the September 4, 2026, issue of the *Texas Register* (51 TexReg 6178) for public comment.

The 31-day comment period ended October 5, 2026. During this period, HHSC did not receive any comments regarding the proposed rule review.

HHSC has reviewed Chapter 746 in accordance with Texas Government Code §2001.039, which requires state agencies to assess, every four years, whether the initial reasons for adopting a rule continue to exist.

The agency determined that the original reasons for adopting rules in the chapter continue to exist and readopts Chapter 746 except for:

§746.121, What do certain pronouns mean when used in this chapter?;

§746.607, Must the child's parent sign the admission information?;

§746.611, Must I have a health statement for children in my care?;

§746.625, If a child's immunization record is already on file at a pre-kindergarten program or school away from the child-care center, must I also have a copy of the child's immunization record in my files?;

§746.627, Must children in my care have a tuberculosis (TB) examination?;

§746.709, Where must I file the Incident/Illness Report form and how long must I keep it?;

§746.805, May I keep electronic records or a combination of paper and electronic records?;

§746.1025, Can Licensing verify whether someone has sufficient experience in a licensed child-care center, or in a licensed or registered child-care home?;

§746.1057, What happens if my Child-Care Center Director's Certificate expires?;

§746.1061, Does Licensing charge a fee for issuing the director's certificate?;

§746.1063, Can my director get a replacement Child-Care Center Director's Certificate?;

§746.1311, What areas of training must the annual training for my child-care center director cover?;

§746.1321, If I have a caregiver who attends college or a Child Development Associate/Certified Child-Care Professional credential program, may I count these clock hours toward the annual training requirement?;

§746.3413, May I use a dishwasher or washing machine to sanitize items at my child-care center?;

§746.3607, How must caregivers respond when a child is injured and requires immediate treatment by a health-care professional?;

§746.3705, Am I required to have a video or audio monitoring system?;

§746.4203, Am I required to care for children younger than 18 months separately from older children?;

§746.4205, Must I limit the number of children in each room based on the indoor activity space measurements for that room?;

§746.4207, Do these indoor activity space requirements apply to my child-care center if it was licensed before September 1, 2003?;

§746.4213, How does Licensing determine the indoor activity space?;

§746.4405, Where must I locate the hand-washing sinks for children's use?;

§746.4801, What does Licensing mean by the term "use zone"?; and

§746.5623, What is an electronic child safety alarm?

The repeals identified by HHSC in the rule review and any amendments, if applicable, to Chapter 746 will be proposed in a future issue of the *Texas Register.*

This concludes HHSC's review of 26 TAC Chapter 746 as required by Texas Government Code §2001.039.

TRD-202604802
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: November 10, 2026

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Texas Juvenile Justice Department

Title 37, Part 11

In accordance with §2001.039, Government Code, the Texas Juvenile Justice Department (TJJD) has completed its review of 37 TAC, Part 11, Chapter 380: Rules for State-Operated Programs and Facilities. TJJD published its Notice of Intent to Review this chapter in the September 25, 2026, issue of the *Texas Register* (51 TexReg 6756). TJJD received no public comments on the proposed rule review.

As a result of the review, TJJD has determined that the original reasons for adopting Chapter 380 continue to exist and readopts the chapter.

This concludes TJJD's review of 37 TAC, Part 11, Chapter 380.

TRD-202604829
Jana Jones
general counsel
Texas Juvenile Justice Department
Filed: November 13, 2026

♦ ♦ ♦

Texas Workforce Commission

Title 40, Part 2

The Texas Workforce Commission (TWC) adopts the reviews of the following chapters:

--Chapter 801, Local Workforce Development Boards

--Chapter 803, Skills Development Fund

--Chapter 805, Adult Education and Literacy

--Chapter 815, Unemployment Insurance

--Chapter 839, Apprenticeship Programs--Additional

The proposed notice of intent to review rules was published in the August 21, 2026, issue of the *Texas Register* (51 TexReg 5558).

PUBLIC COMMENTS

The public comment period closed on September 21, 2026. Pursuant to Texas Government Code, §2001.039, the purpose of a rule review is strictly to assess whether the reasons for initially adopting a chapter continue to exist; substantive amendments cannot be adopted through a rule review notice. Therefore, TWC readopts these chapters without changes at this time. TWC will retain all operational and procedural suggestions for consideration during future substantive rulemaking for the respective chapters.

No comments were received on the Chapter 803 and 839 reviews.

TWC received comments on the reviews of Chapters 801 and 805 from Dee Patience and Chapter 815 from Policy Field Notes.

Comment on Review of Chapter 801

COMMENT: The commenter recommended that TWC clarify certification and monitoring standards under §§801.23 - 801.25 to ensure that "direct linkages" effectively connect customers to knowledgeable staff within a reasonable time frame. The commenter expressed concern that relying on online referral resources can result in broken connections, citing personal testing of external websites, and suggested that TWC establish specific testing schedules, assign testing responsibilities, and define corrective actions for failed connections.

RESPONSE: The Commission appreciates the commenter's feedback. Under §801.23, direct linkage requires connection to program staff who

can provide meaningful information and services, and explicitly excludes merely providing a telephone number, website, pamphlet, or informational materials. Local Workforce Development Boards must maintain compliance with Comprehensive Center requirements under §801.24 and §801.25.

Comment on Review of Chapter 805

COMMENT: The commenter recommended addressing potential service gaps in Chapter 805 for young adults with disabilities who hold a high school diploma and are not basic-skills deficient, suggesting rule amendments, guidance, or interagency procedures to provide connections to Vocational Rehabilitation (VR) or other workforce programs. The commenter also requested clarification and increased public reporting under §805.42 regarding employment outcomes rather than program outputs.

RESPONSE: The Commission appreciates the commenter's feedback. Eligibility for Adult Education and Literacy (AEL) programs is established in accordance with federal requirements under Workforce Innovation and Opportunity Act WIOA, §203, as reflected in §805.3. For individuals who do not meet federal AEL eligibility requirements, grant recipients are instructed to refer participants to appropriate workforce pathways, including VR. Regarding outcome reporting, AEL performance measures, including employment outcomes, are tracked and publicly reported through the federal National Reporting System. Additionally, program performance targets and outcomes are published in the AEL Performance Guide and made available on TWC's website.

Comment on Review of Chapter 815

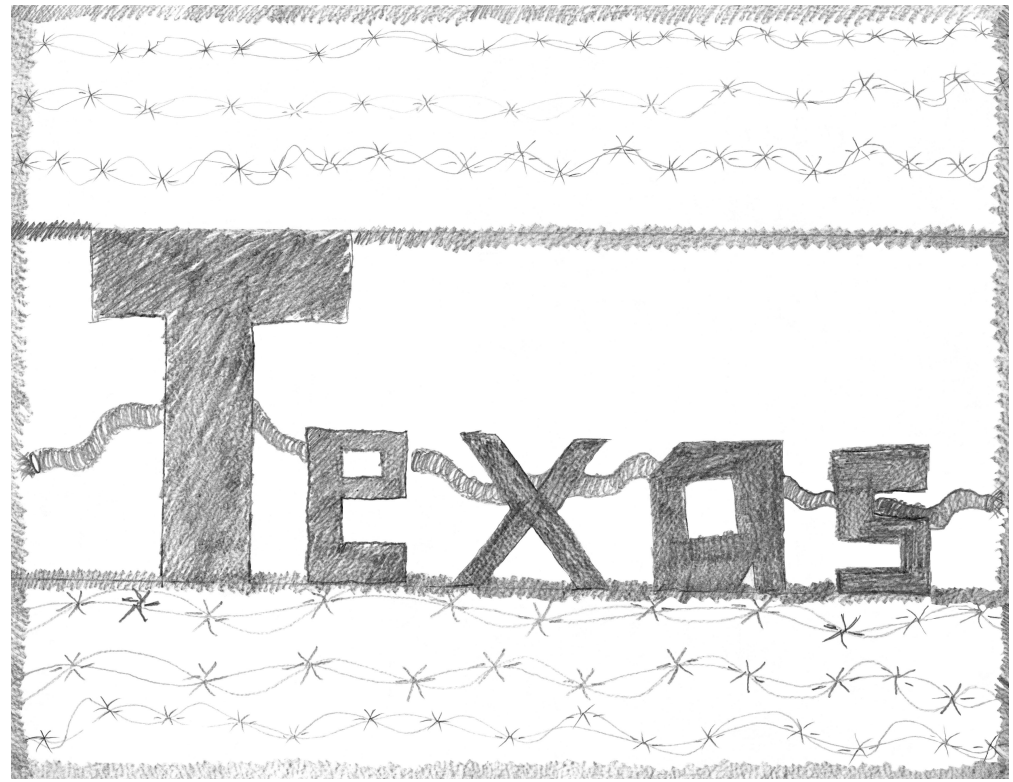
COMMENT: Policy Field Notes recommended that TWC adopt procedural rules in Chapter 815 to preserve an impartial tribunal under §303(a)(3) of the Social Security Act (42 USC, §503(a)(3)) when TWC is itself the employer-party in an unemployment compensation claim. The commenter noted that TWC serves as employer, adjudicator, and reimbursing entity under Texas Labor Code, §205.041, and suggested adopting rules requiring internal separation of functions, screening firewalls, and on-record disclosures when TWC is the former employer.

RESPONSE: The Commission appreciates the commenter's feedback. TWC maintains established administrative and adjudicative procedures to ensure fair hearings before an impartial tribunal. Section 815.16(2) provides recusal procedures to address personal interest or bias, while review by the three-member Commission and the right to judicial review in state district court under Texas Labor Code, Chapter 212, ensure independent oversight.

TWC has assessed and determined that the reasons for adopting the rules in Chapters 801, 803, 805, 815, and 839 continue to exist and therefore readopts these chapters.

TRD-202604886
Les Trobman
General Counsel
Texas Workforce Commission
Filed: November 17, 2026




TEXAS

Graphic images included in rules are published separately in this tables and graphics section. Graphic images are arranged in this section in the following order: Title Number, Part Number, Chapter Number and Section Number.

Graphic images are indicated in the text of the emergency, proposed, and adopted rules by the following tag: the word "Figure" followed by the TAC citation, rule number, and the appropriate subsection, paragraph, subparagraph, and so on.

Figure: 28 TAC §12.601(f)

Guidance on calculating the adjusted approval rate as required in §12.601(f)

Percent Overturned (OT%)—Percent of reviewed adverse determinations that the IRO determines should have been approved and that would have been overturned had the physician or provider appealed to an IRO (i.e., the percent of adverse determinations reviewed that the IRO determined to be medically necessary and appropriate).

Number of Adverse Determinations (#ADs)—Number of preauthorization requests included in the evaluation that were adversely determined.

Number Approved (#APs)—Number of preauthorization requests included in the evaluation that were approved.

Total Preauthorization Requests (Total #PRs)—Total number of preauthorization requests included in the evaluation.

Adjusted Approval Rate—$\frac{(OT\% \times \#ADs) + \#APs}{Total\ \#PRs}$

Figure: 28 TAC §34.1302(a)

Citation	Violation	Fine		Citation	Violation	Fine
6001.152(a)	Branch office registration certificate required	$1,000.00		34.517(e)	Fixed system not installed or serviced by Type A or EPL	$2,000.00
6001.161(a)	Apprentice permit required	$500.00		34.517(a)(1)	Portable extinguisher not installed/serviced/ maintained IAW manufacturer's instructions	$50.00-$500.00
6001.251(a)(1)	No registration certificate (portable)	$3,000.00		34.517(a)(2)	Service tag not attached upon completion	$250.00
6001.251(a)(2)	No registration certificate (fixed)	$3,000.00		34.517(b)(1)	Fixed system not planned/installed/service d IAW "manufacturer's Instructions	$50.00-$500.00
6001.251(a)(3)	No license	$3,000.00		34.517(b)(2)	Installation label not affixed to system upon completion	$250.00
34.510(e)(10)(A)	No C registration for U.S. DOT extinguishers	$2,000.00		34.517(b)(3)	Installation label not signed and affixed to system by Type A or PL licensee (non pre-engineered)	$500.00
34.510(e)(10)(B)	No verification of U.S. DOT registration	$2,000.00		34.517(b)(3)	Licensee who signed label was not at final test (non pre-engineered)	$500.00
34.510(f)	Registration information not displayed on vehicle	$250.00		34.517(b)(4)	Service tag not attached after service completion	$500.00
34.511(f)(1)	Licensee not employed by registered firm	$2,000.00		34.517(f)	Pre-engineered kitchen system not UL300	$2,000.00
34.511(f)(3)	Failure to notify SFMO of termination of employee within 14 days	$250.00		34.517(h)	Fusible link manufacturer date not within 1 year	$500.00
34.513	Alteration of certificates, licenses, or permits	$3,000.00		34.517(i)	Actuation cartridge not dated	$500.00

34.514(a)(5)(b)	Failure to maintain proof of insurance on file at SFMO	$750.00		34.517(j)	Tamper indicator not dated	$500.00
34.510(k); 34.511(d)	Failure to revise or change an address within the required 14 days of change	$250.00		34.518(a)	Shop drawings not on file or not given to owner	$500.00
34.517(a)(1)	Failure to abide by adopted standards or manufacturers portable extinguishers	$50.00-$500.00		34.518(c)	Shop drawings not signed by EPL	$500.00
34.517(b)(1)	Failure to abide by adopted standards or manufacturers requirements for fixed extinguishers	$50.00-$500.00		34.519(a)	Service tag not completed in detail	$250.00
34.510(d)	Failure to maintain business location	$500.00		34.520(b)	Service tag not completed each time service is performed	$500.00
34.510(e)	Failure to maintain shop	$50.00-$500.00		34.521(a)	Owner not notified immediately of impaired portable or fixed extinguisher	$500.00
6001.252(a)(3)	Misrepresentation of goods or services	$250.00-$1,000.00		34.521(a)	AHJ not notified within 24 hrs of impaired portable or fixed extinguisher	$500.00
34.517(c)	Pre-engineered system not installed or serviced by authorized licensee	$2,000.00		34.521(a)	Written notice to owner; copy of written notice to AHJ within 3 days	$500.00
34.517(e)	Fixed system not planned by EPL or professional engineer	$2,000.00		34.521(a)	Failed to attach red tag to impaired extinguisher	$500.00
				34.521(a)	Service tag attached to impaired extinguisher	$1,000.00

34.514(a)(5)(B)	Lapse of Insurance				
Months	Punitive	+	Amount Saved		Total
0-1	$200	+	$125	=	Warning Letter
1-2	$500	+	$250	=	$750
2-3	$500	+	$375	=	$875
3-4	$500	+	$500	=	$1,000
4-5	$500	+	$625	=	$1,125
5-6	$500	+	$750	=	$1,250
6-7	$750	+	$875	=	$1,625
7-8	$750	+	$1,000	=	$1,750
8-9	$750	+	$1,125	=	$1,875
9-10	$750	+	$1,250	=	$2,000
10-11	$750	+	$1,375	=	$2,125
11-12	$750	+	$1,500	=	$2,250

Figure: 28 TAC §34.1302(b)

Citation	Violation	Fine		Citation	Violation	Fine
6002.152(a)	Branch office registration certificate required	$1,000.00		34.617	Failure to distribute/retain certificate	$500.00
6002.154(a)	No licensed employee	$1000.00		34.618	Installation inspection improperly performed/documented	$50.00-$500.00
6002.154(b)	No license	$3,000.00		34.618	Installation inspection improperly documented	$500.00
6002.154(c)	Licensee not an employee of registered firm	$750.00		34.618	Installation inspection docs not on file for 5 yrs	$500.00
6002.301	Engage in business w/o license or registration certificate	$3,000.00		34.619(a)	System/modification not planned by authorized person	$3,000.00
34.616(b)(4)	Violation of standards established by 34.607	$50.00-$500.00		34.619(b)	Plans not submitted to AHJ	$500.00
34.6616(b)(4)	Violation of standards established by manufacturers requirements (NFPA, 72, §10.3.2)	$50.00-$500.00		34.619(b)	Plans incorrectly submitted to AHJ	$250.00
34.610(a)	Failure to maintain business location	$500.00		34.620(a)	Installation label not affixed to inside of control panel cover	$500.00
34.610(b)	Designated employee	$500.00		34.620(d)	Installation label improperly formatted or incomplete	$500.00
34.610(c)	Registration information not displayed on vehicle	$250.00		34.620(f)	Installation label incorrectly formatted or incomplete (1 or 2 family)	$500.00
34.611(f)(2)	Failure to notify SFMO of termination of employee within 14 days	$250.00		34.621(a)	Service label not affixed to control panel cover	$500.00
34.616(b)(1)	Installation not performed by or	$3,000.00		34.621(b)	Information about yellow or red label not on service	$500.00

	under direct supervision of authorized licensee				label that corrected the impairments	
34.616(b)(1)	Certifying licensee not licensed under ACR of primary registered firm or certifying licensee not present for final acceptance test	$1,000.00		34.623(c) (yellow) 34.624(c) (red	Owner or AHJ not notified of impairment	$500.00
34.616(b)(2)	Licensee attaching label not licensed under ACR of primary registered firm	$1,000.00		34.621(h)	Service label improperly formatted or incomplete	$500.00
34.616(b)(2)	Service and maintenance not performed by or under direct supervision of authorized licensee	$3,000.00		34.622(a)	Inspection/test label not filled out in detail or not affixed to inside of control panel cover	$500.00
6002.302(a)(3)	Misrepresentation of goods or services	$250.00-$1,000.00		34.622(d)	Owner or AHJ not notified of impairment	$500.00
34.610(h); 34.611(d)	Failure to revise or change an address within the required 14 days of change	$250.00		34.622(j)	Inspection/test label incorrectly formatted/incomplete	$500.00
34.616(c)(1)	Monitoring an alarm for an unregistered firm	$3,000.00		34.623(a)	Completed yellow label not attached to outside of control panel of impaired system	$500.00
34.616(c)(2)(A)	Connecting an alarm to an unregistered monitoring firm	$2,000.00		34.623(g)	Yellow label incorrectly formatted/incomplete	$500.00
34.616(3)	No licensed technician at central station	$1,000.00		34.624(a)	Completed red label not attached to outside of impaired system	$1,000.00
				34.624(g)	Red label improperly formatted/incomplete	$500.00

34.613(a)(5)(B)	Lapse of Insurance				
Months	Punitive	+	Amount Saved		Total
0-1	$200	+	$125	=	Warning Letter
1-2	$500	+	$250	=	$750
2-3	$500	+	$375	=	$875
3-4	$500	+	$500	=	$1,000
4-5	$500	+	$625	=	$1,125
5-6	$500	+	$750	=	$1,250
6-7	$750	+	$875	=	$1,625
7-8	$750	+	$1,000	=	$1,750
8-9	$750	+	$1,125	=	$1,875
9-10	$750	+	$1,250	=	$2,000
10-11	$750	+	$1,375	=	$2,125
11-12	$750	+	$1,500	=	$2,250

Figure: 28 TAC §34.1302(c)

Citation	Violation	Fine		Citation	Violation	Fine
	Certificates of Registration and Licenses				Planning and Installation	
6003.151(a)	Engage in business w/o registration certificate	$3,000.00		34.717(b)	Failed to maintain copy of updated plans	$500.00
6003.153(b)	Act as responsible managing employee (RME) w/o holding license	$3,000.00		34.717(c)	Plans do not contain required signatures/information about firm or licensee	$500.00
34.710(a)	Subcontracting to unregistered firm to perform work of fire protection sprinkler contractor	$3,000.00		34.717(c)(2)	Plans not submitted to AHJ for review/permit/rating/ record	$500.00
34.711(a)	Firm's RME not licensed, or license expired	$1,000.00		34.717(c)(2)	Plans incorrectly submitted to AHJ	$250.00
34.711(e)(1)	Licensee working not employed by registered firm	$750.00		34.718(a)	Installation tag not completed, not completed in detail, not attached to riser	$500.00
34.711(e)(2)	Firm failed to notify SFMO of termination of employee w/in 14 days	$250.00		34.718(b)	ITM tag not attached to riser after installation/required tests and inspections	$500.00
34.710(g); 34.711(d)	Failure to revise or change an address within the required 14 days of change	$250.00		34.719(a)	Service tag not completed and/or not attached to riser	$500.00
34.716(i)	Planning/installation /service not in accordance with adopted standards	$50.00-$500.00		34.719(c)	New service tag not attached after service	$500.00
34.710(b)	Failure to maintain business location on certificate of registration	$500.00		34.719(g)	Service tags improperly formatted	$250.00
34.711(f)	Individual not licensed for work performed	$3,000.00		34.720(a)	ITM tag not completed and/or attached to riser after scheduled inspection, testing, or maintenance service	$500.00
34.716(a)	System not installed under supervision of appropriately licensed individual	$3,000.00		34.720(c)	New ITM tag not completed and attached after each service	$500.00

34.716(b)	Individual did not affix material and test certificates on or near riser	$500.00		34.720(g)	ITM tag improperly formatted	$250.00
34.716(c)	Inspection/test/maintenance service not conducted by appropriately licensed individual	$3,000.00		34.721(a)	Yellow tag not completed and/or attached to noncompliant system	$500.00
34.716(d)	Records not available for examination	$500.00		34.721(c)	Building owner/representative/ AHJ not notified of noncompliant system	$500.00
34.716(e)	Vehicles do not display co. name, tel. number and certificate of registration	$250.00		34.721(f)	Yellow tag improperly formatted	$250.00
34.716(g)	The planning not performed under the direct supervision of the appropriately licensed RME	$500.00		34.722(a)	Red tag not completed and attached to system with an emergency impairment	$500.00
34.716(h)	Planning, installation, or service of a fire protection sprinkler system not in accordance with the minimum requirements of the applicable adopted standards	$3,000.00		34.722(b)	Owner/representative/ AHJ not orally notified immediately of impairment	$500.00
6003.252(3)	Misrepresentation	$250.00-$1,000.00		34.722(b)	Owner/representative/ AHJ not notified in writing of impairment within 24 hours	$500.00
34.717(a)	Failed to provide as built plans to the owner	$500.00		34.722(g)	Red tag improperly formatted	$250.00
34.717(a)	Failed to maintain a copy of plans	$500.00				
34.717(b)	Failed to provide updated plans to owner	$500.00				

34.713(a)(7)(B)	Lapse of Insurance			
Months	Punitive	+	Amount Saved	Total
0-1	$200	+	$125	= Warning Letter
1-2	$500	+	$250	= $750
2-3	$500	+	$375	= $875
3-4	$500	+	$500	= $1,000
4-5	$500	+	$625	= $1,125
5-6	$500	+	$750	= $1,250
6-7	$750	+	$875	= $1,625
7-8	$750	+	$1,000	= $1,750
8-9	$750	+	$1,125	= $1,875
9-10	$750	+	$1,250	= $2,000
10-11	$750	+	$1,375	= $2,125
11-12	$750	+	$1,500	= $2,250

Figure: 28 TAC §34.1302(d)

Citation	Violation	Fine
	GENERAL	
34.817(m)	Trash, cardboard or high grass within 10 ft of site	$50.00
34.832(12)	Supervisor less than 18 years old (site closed until corrected)	$500.00
34.832(12)	Supervisor less than 18 years old (site closed until corrected)	$500.00
34.832(12)	Individuals less than 16 years old selling fireworks	$50.00
34.817(h)	Operator consuming or under influence of alcohol	$500.00
2154.252(c)	Fireworks sold or offered to children under 16 years old or to an intoxicated or incompetent person	$500.00
34.817(l)	No off highway parking provided	$100.00
34.817(g)	Smoking inside the site	$500.00
34.817(g)	Smoking outside within 10 feet of site	$250.00
2154.202(g)	Selling fireworks outside selling season	$250.00 to $500.00
	FIREWORKS STORAGE	
34.832(6)	Stored fireworks in sales area accessible to public	$100.00
34.832(7)	Fireworks storage room not restricted to employees only	$100.00
34.832(7)	"NO SMOKING" signs not posted in storage room	$50.00
	STORAGE (AND RETAIL SALES) OVER 500 CASES	
34.823(a)(2)	Not of solid construction or sound engineering	Case
34.823(a)(3)	Electrical does not meet national electric code	$25.00 to $250.00
34.823(a)(3)	No outside master electrical switch	$250.00
34.823(a)(4(A)	Less 50ft from inhabited bldg(s) or surface of highways	$500.00
34.823(a)(4)(A)	Not in compliance with distances in Table 1 34.824	$500.00
34.823(a)(4)(B)	Windows or sunlight on fireworks not diffused	$50.00
34.823(a)(4)(C)	Stove, exposed flame or electric heater in storage area	$500.00
34.823(a)(4)(D)	Swing exit door locked, not marked or obstructed	$250.00
34.823(a)(4)(E)	No Class A extinguisher for each 1000 sqft of floor	$100.00
34.823(a)(4)(F)	Brush, dry grass, leaves or combustibles within 10ft	$100.00
34.823(a)(4)(G)	Missing "NO SMOKING" signs. (4" letters)	$100.00
34.823(a)(5)	No fence, security alarm or 24 hr. personnel on site	$500.00
34.823(a)(6)	Class I combustibles (gasoline) less than 100ft from bldg.	$100.00
34.823(a)(6)	Class I dispensing or vents less than 100 ft from bldg (site closed)	$500.00
34.823(b)(1)	No supervisor at least 18 years old on duty (site closed until corrected)	$500.00
34.832(3)(A)	< 60ft from inhabited bldg. (w/o permit before 11-18-02)	$500.00
34.832(3)(B)	< 30ft from property line (w/o permit before 11-18-02)	$250.00
34.832(3)(C)	Does not comply with Table 1 or have fire sprinklers	$500.00
	PATHWAYS/CORRIDORS OF EGRESS	
NFPA 101 (2024) 36.2.5.5	Means of egress/aisles less than 36 inches	$150.00
NFPA 101 (2024) 36.2.5.10	Means of egress < 36" + cart length (if using carts)	$150.00
34.817(e)	Path to exit door obstructed	$250.00

NFPA 101 (2024) 7.1.10.1	Egress not continually free of obstructions	$150.00
NFPA 101 (2024) 36.2.5.8	No clear exit path around checkout aisle	$250.00
NFPA 101 (2024) 7.11.5	Building has dead end corridors	$150.00
NFPA 101 (2024) 7.2.1.11.1	Turnstile, ropes or other devices obstruct egress	$150.00
	STRUCTURE	
34.832(1)	Sales arena Multi-Use (other business) or Multi-tenant (site closed)	$500.00
34.832(18)	Sales area >2500 sqft with ave. ceiling height < 12 ft	$500.00
34.832(10)	Stored behind glass with impinging direct sunlight	$50.00
34.832(14)	No outside master electrical switch	$100.00
NFPA 101 (2024) 9.1.2	Electrical wiring and equipment appear hazardous	$25.00 to $250.00
34.832(1)	Building is not free standing or durable	Case
34.832(1)	Mezzanine or 2nd story accessible to the public	$150.00
34.832(1)	Selling from a tent, boat, or mobile vehicle (site closed)	$500.00
34.817(k)	Bldg. single or multi-family residential structure (site closed)	$500.00
	INTERIOR	
34.832(5)	Inadequate prevention of customers handling fwks	$100.00
34.832(5)	Restraint around displayed fireworks not durable	$100.00
34.832(5)	Customers handling fireworks w/o attendant assistance	$50.00
34.832(9)	Small quantities of unused boxes in sales/storage area	$50.00
34.832(11)	Extension Cord located where public can walk over	$50.00
34.832(11)	Extension Cord supplies > one device w/o power strip	$50.00
34.832(11)	Extension cord unprotected from accidental damage	$50.00
34.382(11)	Extension Cord used in lieu of fixed structural wiring	$25.00
34.382(11)	Power strip without internal circuit breaker	$25.00
34.382(13)	Trash containers not metal or heavy plastic	$25.00
34.832(13)	Trash containers < 10 ft away from fireworks	$250.00
34.832(15)	Space heater in sales/storage areas	$100.00
34.832(17)	Cooking equipment in sales/storage areas	$100.00
34.817(d)	No 2A extinguisher per 2,000 sqft & within 75 ft travel	$500.00
34.817(p)	Internal combustion engines operating inside retail site	$500.00
NFPA 101 (2024) 36.3.3.2	Interior wall and ceiling finish is not type Class A or B	$500.00
NFPA 101 (2024) 6.1.14.4.1	No firewall -Btwn High Hazard & other occup > 200 sqft	$500.00
	PAPERWORK	
34.817(j)	Original permit not posted in sales area	$100.00
34.817(j)	No permit (site closed until corrected)	$500.00
34.832(8)	Local FD or County FD not notified of location in writing	$100.00
34.832(16)	Plan not on file at SFMO office (site closed until corrected)	$250.00
	FIREWORKS	
2154.003	Illegal fireworks e.g. Bottle or Pop Rockets, M-80's	$1,000.00

2154.003(b)	Illegal fireworks (Bottle or Pop Rockets, M-80's)	$1,000.00
2154.251(2)	Sell <100' from storage and dispensing of flammables (closed until corrected)	$500.00
34.817(o)	Fireworks do not conform to USCPS labeling	$500.00
34.817(i)	Other than fireworks or fireworks promotional items	$100.00
	EXIT DOORS	
NFPA 101 (2024) 7.11.4	Less than two means of egress if room > 200 sqft	$500.00
NFPA 101 (2024) 7.11.1	No exit within 75 ft of any point in the building	$150.00
NFPA 101 (2024) 7.7.1	Exits do not terminate in open space (i.e. blocked)	$150.00
NFPA 101 (2024) 7.2.1.2.3.2	Door openings less than 32" wide	$150.00
NFPA 101 (2024) 7.2.1.4.2	Door "doesn't swing out in direction of egress	$250.00
NFPA 101 (2024) 7.2.1.3.1	Floor elevation change interior > ½ or Exterior door >8"	$100.00
NFPA 101 (2024) 7.2.1.3.3	Threshold at door exceeds ½" in height	$100.00
NFPA 101 (2024) 7.11.7	Doors latch or lock not fire or panic hardware	$1,000.00
NFPA 101 (2024) 7.2.1.5.2	Doors have key locks on egress side	$500.00
NFPA 101 (2024) 7.2.1.4.1(3)	Ex (a&c) Not locked open when occupied	$250.00
NFPA 101 (2024) 7.2.1.4.1(3)	Ex (b) No "This Door To Remain OPEN etc…" SIGN	$100.00
NFPA 101 (2024) 7.2.1.4.1(3)	Ex (e) No one panic hardware door without a roll-up	$500.00
	SIGNS	
NFPA 101 (2024) 7.10.1.2.1	Not all exits have "EXIT" signs. (if exit not obvious)	$100.00
NFPA 101 (2024) 7.10.6.1.1	"EXIT" signs non-compliant with standard	$50.00
NFPA 101 (2024) 7.10.2.1	Missing directional signs to exits (if not apparent)	$50.00
NFPA 101 (2024) 7.10.6.2.1	Directional signs non-compliant with standard	$50.00
NFPA 101 (2024) 7.10.8.3	Missing "NO EXIT" sign on doors that could be mistaken	$250.00
34.817(g)	"NO SMOKING" sign not posted outside entrance doors	$100.00
34.817(g)	"NO SMOKING" sign not posted inside entrance doors	$100.00
34.817(g)	"NO SMOKING" sign not posted several location inside	$100.00
34.817(g)	"NO SMOKING" sign lettering less than 4 inches high	$50.00
	EMERGENCY LIGHTING (IF OVER 3000 SQ. FT.)	

NFPA 101 (2024) 36.2.9	No emergency lighting provided	$500.00
NFPA 101 (2024) 7.8.1.3	Emergency lighting doesn't illuminate paths of egress	$250.00
NFPA 101 (2024) 7.9.2.1	Emergency lighting duration is less than 1 ½ hrs	$250.00
NFPA 101 (2024) 7.9.3.1.1	No record of emergency lighting inspection & test	$100.00
	STAIRS	
NFPA 101 (2024) 7.2.2.2.1	RISER not 4"-7" or Treads less than 11" wide	$100.00
NFPA 101 (2024) 7.2.2.2.1.2	Less than 36" wide or < 56" wide if occupancy over 2000	$100.00
NFPA 101 (2024) 7.2.2.3.3.1	Stairs treads not solid	$100.00
NFPA 101 (2024) 7.2.2.4.1.1	No handrails 34" to 38" high provided	$100.00
NFPA 101 (2024) 7.1.8	Open stairs over 30" rise without a guard rail	$100.00
	STAIR LANDINGS	
NFPA 101 (2024) 7.2.2.3.2.1	No landing at door opening	$100.00
NFPA 101 (2024) 7.2.2.3.2.3	Landing length in direction of travel is less than width	$100.00
NFPA 101 (2024) 7.2.2.3.3.1	Horizontal landing not solid (i.e. grating or see through)	$100.00
	HANDRAILS	
NFPA 101 (2024) 7.2.2.4.4.1	Not 34" to 38" high above leading edge of tread	$100.00
NFPA 101 (2024) 7.2.2.4.4.5	Less than 2 ¼" clearance between rail and wall	$100.00
NFPA 101 (2024) 7.2.2.4.4.6	Handrails are not a circular cross-section of 1 ¼" to 2"	$100.00
NFPA 101 (2024) 7.2.2.4.4.7	Rail is not continuous	$100.00
NFPA 101 (2024) 7.2.2.4.4.6	Improper termination or extension of rail	$100.00
	GUARD RAILS	
NFPA 101 (2024) 7.1.8	No guard rail where egress is > 30" above floor/grade	$100.00
NFPA 101 (2024) 7.2.2.4.5.3	Guard rail is less than 42" high	$100.00
NFPA 101 (2024) 7.2.2.4.5.3	Over 4" between any point in vertical rails up to 34" high	$100.00
	RAMPS	
NFPA 101 (2024) 7.2.5.4.2	No landing at top, bottom or at door openings	$100.00

NFPA 101 (2024) Tab 7.2.5.2	Single ramp in excess of 30" rise	$100.00
NFPA 101 (2024) Tab 7.2.5.2	Slope in excess of 1 in 8	$100.00
NFPA 101 (2024) Tab 7.2.5.2	Less than 30" wide	$100.00
NFPA 101 (2024) 7.2.5.4.1(1)	Not permanent fixed construction	$100.00
NFPA 101 (2024) 7.2.5.4.1(4)	Not solid construction	$100.00
NFPA 101 (2024) 7.2.5.5.5.2	No guard or handrail on ramp with rise over 6"	$100.00
	BULK MERCHANDISING > 12,000 SQFT	
NFPA 101 (2024) 36.4.5	Violation(s) of Bulk Merchandising requirements	Case
	OTHER NFPA LIFE SAFETY CODE	
34.832(19)	Violations of NFPA 101 the Life Safety Code®	Case
NFPA 101 (2024) 9.1.2	One or more faults identified on Receptacle tester	$25.00

Figure: 28 TAC §34.1302(e)

Citation	Violation	Fine
Occupations Code §2154.003	Illegal fireworks e.g. Bottle or Pop Rockets, M-80's	$1,000
Occupations Code §2154.251(2)	Sell <100' from storage and dispensing of flammables (closed until corrected)	$500
Occupations Code §2154.252(c)	Fireworks sold or offered to children under 16 or to an intoxicated or incompetent person	$500
Occupations Code §2154.254	Sales personnel <16 years of age	$500
28 TAC §34.809(c)	No permit (stand closed until corrected)	$500
28 TAC §34.809(c)	Original permit not posted	$100
28 TAC §34.817(a)	Stand not supervised, 18 years of age or older (closed until corrected)	$500
28 TAC §34.817(d)	No equipment to extinguish small exterior fires	$50
28 TAC §34.817(e)	Exit pathway obstructed	$50
28 TAC §34.817(g)	Smoking inside the stand	$500
28 TAC §34.817(g)	Smoking within 10 ft of stand	$250
28 TAC §34.817(g)	"NO SMOKING" signs not posted (4" letters)	$50
28 TAC §34.817(h)	Stand operator consuming or under influence of alcohol (closed until corrected)	$500
28 TAC §34.817(l)	No off highway parking provided	$100
28 TAC §34.817(f), (k)	Selling fireworks from a single or multi-family residential structure, tent or motor vehicle	$500
28 TAC §34.817(j)	No permit for retail stand (1 for ea. Non connected stand) (stand closed until corrected)	$100
28 TAC §34.817(m)	Trash, empty cardboard boxes, or high grass within 10 ft of stand	$50
28 TAC §34.817(o)	Fireworks do not conform to USCPA labeling	$500
28 TAC §34.818(2)	Violations related to exit doors and proper operation	$100
28 TAC §34.818(5)-(8)	Violations related to electrical inside and outside stand	$100
28 TAC §34.818(9)	Violations related to generator location/no portable extinguisher	$100
28 TAC §34.818(10)	Electric heater does not have a tip over cutoff switch	$50
28 TAC §34.818(10)	Heat or light source with open flames in stand	$100

Figure: 28 TAC §34.1302(f)

CITATION	VIOLATION	FINE
2154.252(b)	Offering 1.4G fireworks for sale from other than an authorized retail location	$1,000.00
2154.252(d)	Sells fireworks to person who does not hold license or permit	$1,000.00
34.815(b)(1)	Purchase of 1.4G Fireworks from an unlicensed distributor or jobber.	$500.00
2154.201(a)	Issue other permit to a person under 18 years old.	$500.00
34.814(c)(1)	Failed to return permits by March 1st	$100.00
34.832(16)	No site plan on file with SFMO	$1,000.00
34.809(a)	Conduct 1.3G display without a permit	$3,000.00
34.809(a)	Conduct a display without the appropriate licensed operator	$3,000.00
34.826(c)	Failed to conduct display in compliance with NFPA 1123	$500.00-$1,000.00
34.826(f)	Failed to conduct a proximate display in compliance with NFPA 1126	$500.00-$1,000.00
34.826(h)	Used a flame effect and failed to comply with NFPA 160	$500.00-$1,000.00
34.810(e)	Failure to revise or change an address within the required 14 days of change	$250.00

Figure: 28 TAC §34.1302(g)

Citation	Violation	Fine
Inspection and Ongoing Compliance		
Utilities Code §187.003(a)-(b)	Failure to design, install, operate, or maintain a battery energy storage facility in compliance with applicable safety standards adopted under §187.003(a)-(b).	up to $5,000 per day
Utilities Code §187.003(a)-(b)	Operation of a battery energy storage facility with knowledge, including knowledge obtained through inspection reports, evaluations, or internal monitoring, or one or more deficiencies that materially impair fire protection, monitoring, ventilation, or other safety systems required under NFPA 855 and UL9540A, as adopted by the commissioner and state fire marshal under §187.003(a)-(b), without taking steps to remedy these deficiencies within a reasonable time.	up to $5,000 per day
Utilities Code §187.003(e)	Failure to provide an independent report evaluating the design, safety, and installation of the facility prior to commencing commercial operations if requested by municipality or county in which the facility is located as required by §187.003(e).	up to $5,000 per day
Utilities Code §187.003(e)(1)-(2)	Report required under §187.003(e) fails to meet requirements under §187.003(e)(1)-(2).	up to $5,000 per day
Utilities Code §187.003(f)	Failure to make available to the engineer, consultant, the requesting municipality, or county documents created or held by the battery operator as required by §187.003(f).	up to $5,000 per day
Utilities Code §187.003(g)	Failure to provide a fire safety inspection report to the municipality or country in which the facility is located at least once every five years as required by §187.003(g).	up to $5,000 per day
Utilities Code §187.003(g)(1)-(2)	Report required under §187.003(g) fails to meet requirements under §187.003(g)(1)-(2).	up to $5,000 per day

First Responder Education and Training		
Utilities Code §187.004(c)-(d)	Failure to provide required documents.	up to $5,000 per day
Utilities Code §187.003(g)	Failure to conduct a required fire safety inspection report or an insufficiency in the report.	up to $5,000 per day
Utilities Code §187.004(c)	Failure to produce a site-specific emergency operation plan or an insufficiently in the report	up to $5,000 per day
Utilities Code §187.004(d)(1)	Failure to provide the site-specific emergency operations plan developed to the local first responder that is responsible for providing fire protection services in the area where the facility is located.	up to $5,000 per day
Utilities Code §187.004(d)(2)	Failure to maintain safety data sheets or comparable documents and the site-specific emergency operations plan at an onsite location accessible to personnel responsible for the operations and maintenance of the battery energy storage facility and first responders.	up to $5,000 per day
Utilities Code §187.004(e)	Failure to offer education and annual training regarding responding to an equipment failure incident at the battery energy storage facility site.	up to $5,000 per day
Utilities Code §187.004(e)	Failure to provide education and annual training at no cost regarding responding to an equipment failure incident at the battery energy storage facility site to local first responders if local first responders have previously accepted offer for education and annual training.	up to $5,000 per day



IN ADDITION

The *Texas Register* is required by statute to publish certain documents, including applications to purchase control of state banks, notices of rate ceilings issued by the Office of Consumer Credit Commissioner, and consultant proposal requests and awards. State agencies also may publish other notices of general interest as space permits.

Texas State Affordable Housing Corporation

Texas Foundations Fund 2027 Guidelines

Public Comment Needed: FY2026 Draft Texas Foundations Fund Guidelines

The 2027 Texas Foundations Fund Draft Guidelines are now available for public comment. A copy of the 2027 Texas Foundations Fund Draft Guidelines may be found on the Corporation's website at www.tsahc.org. Please submit public comment via email to **Anna Orendain-Chavez** at aorendain-chavez@tsahc.org with the **subject line: '2027 Texas Foundations Fund Public Comment'.**

Public comment must be submitted for consideration by December 11, 2026, at 5:00 p.m.

TRD-202604796
David Long
President
Texas State Affordable Housing Corporation
Filed: November 10, 2026

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Office of Consumer Credit Commissioner

Notice of Rate Ceilings

The Consumer Credit Commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in §303.003, and §303.009, Texas Finance Code.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 11/16/26 - 11/22/26 is 18.00% for consumer[1] credit.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 11/16/26 - 11/22/26 is 18.00% for commercial[2] credit.

[1] Credit for personal, family, or household use.

[2] Credit for business, commercial, investment, or other similar purpose.

TRD-202604777
Leslie L. Pettijohn
Commissioner
Office of Consumer Credit Commissioner
Filed: November 10, 2026

♦ ♦ ♦

Notice of Rate Ceilings

The Consumer Credit Commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in §303.003, §303.009, and §304.003 Texas Finance Code.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 11/23/26 - 11/29/26 is 18.00% for consumer[1] credit.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 11/23/26 - 11/29/26 is 18.00% for commercial[2] credit.

The postjudgment interest rate as prescribed by §304.003 for the period of 12/01/26 - 12/31/26 is 7.00%.

[1] Credit for personal, family, or household use.

[2] Credit for business, commercial, investment, or other similar purpose.

TRD-202604979
Leslie L. Pettijohn
Commissioner
Office of Consumer Credit Commissioner
Filed: November 18, 2026

♦ ♦ ♦

Texas Commission on Environmental Quality

Agreed Orders

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) staff is providing an opportunity for written public comment on the listed Agreed Orders (AOs) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075 requires that before the commission may approve the AOs, the commission shall allow the public an opportunity to submit written comments on the proposed AOs. TWC, §7.075 requires that notice of the proposed orders and the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **December 30, 2026**. TWC, §7.075 also requires that the commission promptly consider any written comments received and that the commission may withdraw or withhold approval of an AO if a comment discloses facts or considerations that indicate that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed AO is not required to be published if those changes are made in response to written comments.

A physical copy of each proposed AO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building C, 1st Floor, Austin, Texas 78753, (512) 239-2545 and at the applicable regional office listed as follows. Additionally, copies of the proposed AO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed AO's identifying information, such as its docket number. Written comments about an AO should be sent to the enforcement coordinator designated for each AO at the commission's central office at Enforcement Division, MC 128, P.O. Box 13087, Austin, Texas 78711-3087 and must be postmarked by 5:00 p.m. on **December 30, 2026**. Written comments may also be sent to the enforcement coordinator by email to ENFCOMNT@tceq.texas.gov or by facsimile machine at (512) 239-2550. The commission enforcement coordinators are available to discuss the AOs and/or the comment procedure at the listed contact information; however, TWC, §7.075 provides that comments on the AOs shall be submitted to the commission in writing.

(1) COMPANY: Aqua Texas, Inc.; DOCKET NUMBER: 2026-0888-PWS-E; IDENTIFIER: RN102688827; LOCATION: Spring-

town, Parker County; TYPE OF FACILITY: public water supply; PENALTY: $2,362; ENFORCEMENT COORDINATOR: Deshaune Blake, (210) 403-4033; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(2) COMPANY: Beaumont New Ammonia LLC; DOCKET NUMBER: 2026-0895-AIR-E; IDENTIFIER: RN111536918; LOCATION: Nederland, Jefferson County; TYPE OF FACILITY: ammonia production facility; PENALTY: $3,038; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(3) COMPANY: Blue Lid, LLC; DOCKET NUMBER: 2026-0775-PWS-E; IDENTIFIER: RN101197283; LOCATION: Gardendale, Ector County; TYPE OF FACILITY: public water supply; PENALTY: $5,250; ENFORCEMENT COORDINATOR: Ilia Perez Ramirez, (512) 239-2556; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(4) COMPANY: CALDERON, BREENA; DOCKET NUMBER: 2026-1185-WOC-E; IDENTIFIER: RN112336789; LOCATION: Tornillo, El Paso County; TYPE OF FACILITY: public water supply; PENALTY: $750; ENFORCEMENT COORDINATOR: Obianuju Iyasele, (512) 239-5280; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(5) COMPANY: CAREFREE VALLEY MHP HARLINGEN TX, LLC; DOCKET NUMBER: 2026-1191-PWS-E; IDENTIFIER: RN101441830; LOCATION: Harlingen, Cameron County; TYPE OF FACILITY: public water supply; PENALTY: $1,270; ENFORCEMENT COORDINATOR: Ilia Perez Ramirez, (512) 239-2556; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(6) COMPANY: Cambrian Management, Ltd.; DOCKET NUMBER: 2024-0417-AIR-E; IDENTIFIER: RN102190485; LOCATION: Odessa, Ector County; TYPE OF FACILITY: tank battery site; PENALTY: $35,937; ENFORCEMENT COORDINATOR: Casey Cobb, (512) 239-0351; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(7) COMPANY: Chevron Phillips Chemical Company LP; DOCKET NUMBER: 2026-0521-AIR-E; IDENTIFIER: RN100215615; LOCATION: Orange, Orange County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $4,200; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $1,680; ENFORCEMENT COORDINATOR: Morgan Kopcho, (512) 239-4167; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(8) COMPANY: Chevron Phillips Chemical Company LP; DOCKET NUMBER: 2026-0886-AIR-E; IDENTIFIER: RN100825249; LOCATION: Sweeny, Brazoria County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $11,025; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $4,410; ENFORCEMENT COORDINATOR: Morgan Kopcho, (512) 239-4167; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(9) COMPANY: City of Alice; DOCKET NUMBER: 2025-1392-PWS-E; IDENTIFIER: RN101392496; LOCATION: Alice, Jim Wells County; TYPE OF FACILITY: public water supply; PENALTY: $16,714; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $13,372; ENFORCEMENT COORDINATOR: Wyatt Throm, (512) 239-1120; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(10) COMPANY: City of Bangs; DOCKET NUMBER: 2026-1174-PWS-E; IDENTIFIER: RN101388155; LOCATION: Bangs, Brown County; TYPE OF FACILITY: public water supply; PENALTY: $250; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(11) COMPANY: City of China Grove; DOCKET NUMBER: 2025-0653-WQ-E; IDENTIFIER: RN105936330; LOCATION: China Grove, Bexar County; TYPE OF FACILITY: small municipal separate storm sewer system; PENALTY: $2,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $2,000; ENFORCEMENT COORDINATOR: Alejandra Basave, (713) 767-3751; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(12) COMPANY: City of Dumas; DOCKET NUMBER: 2024-0558-PWS-E; IDENTIFIER: RN101278778; LOCATION: Dumas, Moore County; TYPE OF FACILITY: public water supply; PENALTY: $7,485; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $5,988; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(13) COMPANY: City of Gilmer; DOCKET NUMBER: 2024-1652-MLM-E; IDENTIFIER: RN101918761; LOCATION: Gilmer, Upshur County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $100,750; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $80,600; ENFORCEMENT COORDINATOR: Alejandra Basave, (713) 767-3751; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(14) COMPANY: City of Jacksonville; DOCKET NUMBER: 2025-0598-MWD-E; IDENTIFIER: RN101613180; LOCATION: Jacksonville, Cherokee County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $11,785; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $9,428; ENFORCEMENT COORDINATOR: Taylor Williamson, (512) 239-2097; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(15) COMPANY: City of Magnolia; DOCKET NUMBER: 2026-1075-PWS-E; IDENTIFIER: RN101390334; LOCATION: Magnolia, Montgomery County; TYPE OF FACILITY: public water supply; PENALTY: $1,920; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(16) COMPANY: City of Robstown; DOCKET NUMBER: 2024-1686-MWD-E; IDENTIFIER: RN104347729; LOCATION: Robstown, Nueces County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $39,875; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $31,900; ENFORCEMENT COORDINATOR: Logan Thompson, (512) 239-4576; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(17) COMPANY: Cole Asset Management, Series LLC; DOCKET NUMBER: 2026-1117-PWS-E; IDENTIFIER: RN112476965; LOCATION: Clarendon, Donley County; TYPE OF FACILITY: public water supply; PENALTY: $2,750; ENFORCEMENT COORDINATOR: Katherine Mckinney, (512) 239-4619; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(18) COMPANY: Comanche County Water Supply Corporation; DOCKET NUMBER: 2026-0284-PWS-E; IDENTIFIER:

RN102675337; LOCATION: De Leon, Comanche County; TYPE OF FACILITY: public water supply; PENALTY: $15,968; ENFORCEMENT COORDINATOR: Wyatt Throm, (512) 239-1120; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(19) COMPANY: Deer Park Energy Center LLC; DOCKET NUMBER: 2026-0840-AIR-E; IDENTIFIER: RN100222033; LOCATION: Deer Park, Harris County; TYPE OF FACILITY: natural gas-fired electric generating facility; PENALTY: $2,500; ENFORCEMENT COORDINATOR: Leslie Vazquez, (512) 239-4522; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(20) COMPANY: EZflow, L.P.; DOCKET NUMBER: 2026-0841-AIR-E; IDENTIFIER: RN112272711; LOCATION: Midlothian, Dallas County; TYPE OF FACILITY: polystyrene aggregate production plant; PENALTY: $7,500; ENFORCEMENT COORDINATOR: Johnnie Wu, (512) 239-2524; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(21) COMPANY: El Paso County Tornillo Water Improvement District; DOCKET NUMBER: 2026-1173-PWS-E; IDENTIFIER: RN101391845; LOCATION: Tornillo, El Paso County; TYPE OF FACILITY: public water supply; PENALTY: $500; ENFORCEMENT COORDINATOR: Obianuju Iyasele, (512) 239-5280; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(22) COMPANY: El Paso Water Utilities Public Service Board; DOCKET NUMBER: 2025-1648-MWD-E; IDENTIFIER: RN102286366; LOCATION: El Paso, El Paso County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $94,710; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $94,710; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(23) COMPANY: Enterprise Products Operating LLC; DOCKET NUMBER: 2026-0893-IWD-E; IDENTIFIER: RN102580834; LOCATION: Houston, Harris County; TYPE OF FACILITY: marine landing facility; PENALTY: $11,325; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $4,530; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(24) COMPANY: Evadale Water Control and Improvement District 1; DOCKET NUMBER: 2025-0702-PWS-E; IDENTIFIER: RN101183168; LOCATION: Evadale, Jasper County; TYPE OF FACILITY: public water supply; PENALTY: $52; ENFORCEMENT COORDINATOR: Ronica Rodriguez, (512) 239-2510; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(25) COMPANY: Exxon Mobil Corporation; DOCKET NUMBER: 2026-0571-AIR-E; IDENTIFIER: RN102212925; LOCATION: Baytown, Harris County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $21,750; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $8,700; ENFORCEMENT COORDINATOR: Morgan Kopcho, (512) 239-4167; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(26) COMPANY: GALO TRUCK SERVICE, LLC, Heriberto Perez III, and Mirna Perez; DOCKET NUMBER: 2026-0372-MLM-E; IDENTIFIER: RN112002449; LOCATION: San Juan, Hidalgo County; TYPE OF FACILITY: storage and loading/unloading transfer site; PENALTY: $17,025; ENFORCEMENT COORDINATOR: Celicia Garza, (210) 657-8422; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(27) COMPANY: Guadalupe-Blanco River Authority; DOCKET NUMBER: 2026-1128-PWS-E; IDENTIFIER: RN102677945; LOCATION: Boerne, Kendall County; TYPE OF FACILITY: public water supply; PENALTY: $2,875; ENFORCEMENT COORDINATOR: Katherine Mckinney, (512) 239-4619; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(28) COMPANY: Harris County Water Control and Improvement District No. 50; DOCKET NUMBER: 2026-0896-WQ-E; IDENTIFIER: RN105915904; LOCATION: El Lago, Harris County; TYPE OF FACILITY: small municipal separate storm sewer system; PENALTY: $13,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $10,800; ENFORCEMENT COORDINATOR: Alejandra Basave, (713) 767-3751; REGIONAL OFFICE: 14250 Judson Road, San Antonio, Texas 78233-4480, REGION 13 - SAN ANTONIO.

(29) COMPANY: INEOS Styrolution America LLC; DOCKET NUMBER: 2025-1064-AIR-E; IDENTIFIER: RN100542224; LOCATION: Pasadena, Harris County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $53,303; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $26,651; ENFORCEMENT COORDINATOR: Nicholas Lohret-Froio, (512) 239-2545; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(30) COMPANY: Meseta Capital Management, LLC; DOCKET NUMBER: 2026-1073-PWS-E; IDENTIFIER: RN108863192; LOCATION: Canyon, Randall County; TYPE OF FACILITY: public water supply; PENALTY: $6,750; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(31) COMPANY: Mullin Independent School District; DOCKET NUMBER: 2026-0389-PWS-E; IDENTIFIER: RN101256550; LOCATION: Mullin, Mills County; TYPE OF FACILITY: public water supply; PENALTY: $5,500; ENFORCEMENT COORDINATOR: Obianuju Iyasele, (512) 239-5280; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(32) COMPANY: NEES, CHIP; DOCKET NUMBER: 2026-0537-WQ-E; IDENTIFIER: RN111125449; LOCATION: Weatherford, Parker County; TYPE OF FACILITY: aggregate production operation; PENALTY: $4,500; ENFORCEMENT COORDINATOR: Monica Larina, (512) 239-2545; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(33) COMPANY: OW CONROE LLC; DOCKET NUMBER: 2026-0485-MWD-E; IDENTIFIER: RN102183480; LOCATION: Conroe, Montgomery County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $17,875; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $8,937; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(34) COMPANY: Owens Corning Insulating Systems, LLC; DOCKET NUMBER: 2026-0405-AIR-E; IDENTIFIER: RN100223585; LOCATION: Waxahachie, Ellis County; TYPE OF FACILITY: fiberglass manufacturing plant; PENALTY: $68,400; ENFORCEMENT COOR-

DINATOR: Michael Wilkins, (325) 698-6134; REGIONAL OFFICE: 1977 Industrial Boulevard, Abilene, Texas 79602-7833, REGION 3 - ABILENE.

(35) COMPANY: Prestige Gunite of South Texas, Ltd.; DOCKET NUMBER: 2026-0045-AIR-E; IDENTIFIER: RN108903048; LOCATION: Lockhart, Caldwell County; TYPE OF FACILITY: bulk mineral handling facility; PENALTY: $3,937; ENFORCEMENT COORDINATOR: Mackenzie Mehlmann, (512) 239-2572; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(36) COMPANY: Reeves County Water Improvement District 1; DOCKET NUMBER: 2023-0157-MLM-E; IDENTIFIER: RN101199263; LOCATION: Balmorhea, Reeves County; TYPE OF FACILITY: public water supply; PENALTY: $4,125; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $3,300; ENFORCEMENT COORDINATOR: Obianuju Iyasele, (512) 239-5280; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(37) COMPANY: Shelbyville Independent School District; DOCKET NUMBER: 2025-1768-MWD-E; IDENTIFIER: RN101527224; LOCATION: Shelbyville, Shelby County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $8,625; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $6,900; ENFORCEMENT COORDINATOR: Hannah Moreno, (512) 239-2509; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(38) COMPANY: South Plains Water Supply Corporation; DOCKET NUMBER: 2026-0641-PWS-E; IDENTIFIER: RN101451417; LOCATION: Lubbock, Lubbock County; TYPE OF FACILITY: public water supply; PENALTY: $1,462; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(39) COMPANY: T & W Water Service Company; DOCKET NUMBER: 2026-1077-PWS-E; IDENTIFIER: RN103128625; LOCATION: Spring, Harris County; TYPE OF FACILITY: public water supply; PENALTY: $355; ENFORCEMENT COORDINATOR: Savannah Jackson, (512) 239-4306; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(40) COMPANY: The Goodyear Tire & Rubber Company; DOCKET NUMBER: 2022-0807-AIR-E; IDENTIFIER: RN100870898; LOCATION: Houston, Harris County; TYPE OF FACILITY: tire manufacturing plant; PENALTY: $12,225; ENFORCEMENT COORDINATOR: Raven Daigle, (713) 767-3634; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(41) COMPANY: The Goodyear Tire & Rubber Company; DOCKET NUMBER: 2024-0904-AIR-E; IDENTIFIER: RN102561925; LOCATION: Beaumont, Jefferson County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $20,625; ENFORCEMENT COORDINATOR: Raven Daigle, (713) 767-3634; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(42) COMPANY: West Bluebell LLC; DOCKET NUMBER: 2026-0875-PWS-E; IDENTIFIER: RN101278273; LOCATION: Houston, Harris County; TYPE OF FACILITY: public water supply; PENALTY: $1,875; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

TRD-202604845

Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: November 16, 2026

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Combined Notice of Public Meeting and Notice of Receipt of Application and Intent to Obtain Water Quality Permit (NORI) and Notice of Application and Preliminary Decision for TPDES Permit for Municipal Wastewater (NAPD) New Permit No. WQ0015104001

PURPOSE OF COMBINED NOTICE. This revised, combined notice is being issued to correct the information provided in the NORI published on June 12, 2026, and to announce that TCEQ will be holding a public meeting, please see the details below. Regarding the information to be corrected; the description of the location of the facility has been corrected. This correction is conspicuous as it is **bold** and **underlined** below.

APPLICATION. Gospel for Asia, Inc., 1116 St. Thomas Way, Wills Point, Texas 75169, has applied to the Texas Commission on Environmental Quality (TCEQ) for a renewal of Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0015104001 which authorizes the discharge of treated domestic wastewater at a daily average flow not to exceed 80,000 gallons per day. TCEQ received this application on May 14, 2026.

DESCRIPTION OF FACILITY AND LOCATION OF THE DISCHARGE ROUTE. The facility is located at 1151 **Antioch Road**, in Kaufman County, Texas 75169. The treated effluent is discharged to an unnamed tributary, thence to Wolf Creek, thence to Allen Creek, thence to Cedar Creek, thence to Cedar Creek Reservoir in Segment No. 0818 of the Trinity River Basin. The unclassified receiving water use is limited aquatic life use for the unnamed tributary and Wolf Creek. The designated uses for Segment No. 0818 are primary contact recreation, public water supply, and high aquatic life use. All determinations are preliminary and subject to additional review and/or revisions. This link to an electronic map of the site or facility's general location is provided as a public courtesy and is not part of the application or notice. For the exact location, refer to the application.

https://gisweb.tceq.texas.gov/LocationMapper/?marker=-96.080555,32.667777&level=18

PRELIMINARY DECISION AND TECHNICAL REVIEW. The TCEQ Executive Director has completed the technical review of the application and prepared a draft permit. The draft permit, if approved, would establish the conditions under which the facility must operate. The Executive Director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements. The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at the Kaufman County Library, 3790 South Houston Street, Kaufman, in Kaufman County. The application and associated notices are available electronically for viewing and copying at the following webpage: https://permit-search.tceq.texas.gov.

ALTERNATIVE LANGUAGE NOTICE. Alternative language notice in Spanish is available at https://permit-search.tceq.texas.gov. El aviso de idioma alternativo en español está disponible en https://permit-search.tceq.texas.gov.

PUBLIC COMMENT / PUBLIC MEETING. You may submit public comments or request a public meeting about this application. The TCEQ will hold a public meeting on this application because it was requested by a local legislator.

The purpose of a public meeting is to provide the opportunity to submit comments or to ask questions about the application. A public meeting will be held and will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. A written response to all timely, relevant and material, or significant comments will be prepared by the Executive Director. All formal comments will be considered before a decision is reached on the permit application. A copy of the written response will be sent to each person who submits a formal comment or who requested to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment Period can be considered if a contested case hearing is granted on this permit application.

The Public Meeting is to be held:

Tuesday, January 5, 2027, at 7:00 p.m.

Lilies Event Center

301 Tanger Road, Suite No. 210

Terrell, Texas 75160

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or (800) RELAY-TX (TDD) at least five business days prior to the meeting.

OPPORTUNITY FOR A CONTESTED CASE HEARING. After the deadline for submitting public comments, the Executive Director will consider all timely comments and prepare a response to all relevant and material or significant public comments. **Unless the application is directly referred for a contested case hearing, the response to comments will be mailed to everyone who submitted public comments and to those persons who are on the mailing list for this application. If comments are received, the mailing will also provide instructions for requesting a contested case hearing or reconsideration of the Executive Director's decision.** A contested case hearing is a legal proceeding similar to a civil trial in a state district court.

TO REQUEST A CONTESTED CASE HEARING, YOU MUST INCLUDE THE FOLLOWING ITEMS IN YOUR REQUEST: your name, address, phone number; applicant's name and proposed permit number; the location and distance of your property/activities relative to the proposed facility; a specific description of how you would be adversely affected by the facility in a way not common to the general public; a list of all disputed issues of fact that you submit during the comment period; and the statement "[I/we] request a contested case hearing." If the request for contested case hearing is filed on behalf of a group or association, the request must designate the group's representative for receiving future correspondence; identify by name and physical address an individual member of the group who would be adversely affected by the proposed facility or activity; provide the information discussed above regarding the affected member's location and distance from the facility or activity; explain how and why the member would be affected; and explain how the interests the group seeks to protect are relevant to the group's purpose.

Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

The Commission may only grant a request for a contested case hearing on issues the requestor submitted in their timely comments that were not subsequently withdrawn. **If a hearing is granted, the subject of a hearing will be limited to disputed issues of fact or mixed questions of fact and law relating to relevant and material water quality concerns submitted during the comment period.**

EXECUTIVE DIRECTOR ACTION. The Executive Director may issue final approval of the application unless a timely contested case hearing request or request for reconsideration is filed. If a timely hearing request or request for reconsideration is filed, the Executive Director will not issue final approval of the permit and will forward the application and request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

MAILING LIST. If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition, you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number; and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list, clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

All written public comments and public meeting requests must be submitted to the Office of the Chief Clerk, MC 105, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at www.tceq.texas.gov/goto/comment within 30 days from the date of newspaper publication of this notice, or by the date of the public meeting, whichever is later.

INFORMATION AVAILABLE ONLINE. For details about the status of the application, visit the Commissioners' Integrated Database at www.tceq.texas.gov/goto/cid. Search the database using the permit number for this application, which is provided at the top of this notice.

AGENCY CONTACTS AND INFORMATION. Public comments and requests must be submitted either electronically at www.tceq.texas.gov/goto/comment, or in writing to the Texas Commission on Environmental Quality, Office of the Chief Clerk, MC 105, P.O. Box 13087, Austin, Texas 78711-3087. Any personal information you submit to the TCEQ will become part of the agency's record; this includes email addresses. For more information about this permit application or the permitting process, please call the TCEQ Public Education Program, Toll Free, at (800) 687-4040 or visit their website at www.tceq.texas.gov/goto/pep. Si desea información en español, puede llamar al (800) 687-4040.

Further information may also be obtained from Gospel for Asia, Inc. at the address stated above or by calling Mr. Kevin Powell, Facilities Coordinator, at (972) 300-3125.

Issuance Date: November 17, 2026

TRD-202604963
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Enforcement Orders

An agreed order was adopted regarding ForeCast Ventures, LLC, Docket No. 2023-0031-WR-E on November 17, 2026 assessing $10,375 in administrative penalties with $2,075 deferred. Information concerning any aspect of this order may be obtained by contacting Raven Daigle, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding General Services Administration, Docket No. 2023-0721-PST-E on November 17, 2026 assessing $6,626 in administrative penalties with $1,325 deferred. Information concerning any aspect of this order may be obtained by contacting Rachel Murray, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding CARMINE STORE INC dba Carmine Country Store, Docket No. 2025-1079-PST-E on November 17, 2026 assessing $4,809 in administrative penalties with $961 deferred. Information concerning any aspect of this order may be obtained by contacting Rachel Murray, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Exxon Mobil Corporation, Docket No. 2025-1120-AIR-E on November 17, 2026 assessing $7,200 in administrative penalties with $1,440 deferred. Information concerning any aspect of this order may be obtained by contacting Christina Ferrara, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Whitestone Business, Inc. dba Foodies Corner 4, Docket No. 2025-1215-PST-E on November 17, 2026 assessing $9,225 in administrative penalties with $1,845 deferred. Information concerning any aspect of this order may be obtained by contacting Bryce Huck, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding United States National Park Service, Docket No. 2026-0145-PWS-E on November 17, 2026 assessing $1,563 in administrative penalties with $312 deferred. Information concerning any aspect of this order may be obtained by contacting De'Shaune Blake, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Primal Materials, LLC, Docket No. 2026-0152-MLM-E on November 17, 2026 assessing $6,875 in administrative penalties with $1,375 deferred. Information concerning any aspect of this order may be obtained by contacting Morgan Kopcho, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Michael Neumann and Christina N. Neumann, Docket No. 2026-0190-MSW-E on November 17, 2026 assessing $3,375 in administrative penalties with $675 deferred. Information concerning any aspect of this order may be obtained by contacting Celicia Garza, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Discover Church, Inc., Docket No. 2026-0279-PWS-E on November 17, 2026 assessing $1,120 in administrative penalties with $224 deferred. Information concerning any aspect of this order may be obtained by contacting Anjali Talpallikar, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Jose Luis Hernandez, Docket No. 2026-0373-MLM-E on November 17, 2026 assessing $11,330 in administrative penalties with $2,266 deferred. Information concerning any aspect of this order may be obtained by contacting Ramyia Wendt, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Enterprise Products Operating LLC, Docket No. 2026-0482-AIR-E on November 17, 2026 assessing $3,750 in administrative penalties with $750 deferred. Information concerning any aspect of this order may be obtained by contacting Jonathan Hawkins, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding United States National Park Service, Docket No. 2026-0533-PWS-E on November 17, 2026 assessing $1,055 in administrative penalties with $211 deferred. Information concerning any aspect of this order may be obtained by contacting Kaisie Hubschmitt, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Lhoist North America of Texas, LLC, Docket No. 2026-0548-AIR-E on November 17, 2026 assessing $7,875 in administrative penalties with $1,575 deferred. Information concerning any aspect of this order may be obtained by contacting Rajesh Acharya, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Mine Service, Inc., Docket No. 2026-0569-WQ-E on November 17, 2026 assessing $5,388 in administrative penalties with $1,077 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Targa Pipeline Mid-Continent WestTex LLC, Docket No. 2026-0614-AIR-E on November 17, 2026 assessing $12,500 in administrative penalties with $2,500 deferred. Information concerning any aspect of this order may be obtained by contacting Christina Ferrara, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of West Tawakoni, Docket No. 2026-0626-MWD-E on November 17, 2026 assessing $4,612 in administrative penalties with $922 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the Town of Edgecliff Village, Docket No. 2026-0655-WQ-E on November 17, 2026 assessing $6,500 in administrative penalties with $1,300 deferred. Information concerning any aspect of this order may be obtained by contacting Monica Larina, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding 8 Mile Park, L.P., Docket No. 2026-0662-PWS-E on November 17, 2026 assessing $138 in administrative penalties with $27 deferred. Information concerning any aspect of this order may be obtained by contacting Hilda Iyasele, Enforcement

Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Central Crushed Concrete, LLC, Docket No. 2026-0669-WQ-E on November 17, 2026 assessing $2,250 in administrative penalties with $450 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding MALEK, INC., Docket No. 2026-0676-PST-E on November 17, 2026 assessing $3,937 in administrative penalties with $787 deferred. Information concerning any aspect of this order may be obtained by contacting Sujata Sinha, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Texas Water Utilities, L.P., Docket No. 2026-0702-PWS-E on November 17, 2026 assessing $750 in administrative penalties with $150 deferred. Information concerning any aspect of this order may be obtained by contacting Katherine McKinney, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding the City of Groveton, Docket No. 2026-0746-PWS-E on November 17, 2026 assessing $2,925 in administrative penalties with $585 deferred. Information concerning any aspect of this order may be obtained by contacting Ronica Rodriguez, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An expedited compliance order was adopted regarding Sunoco Retail LLC dba Fast Break 8 - 80014288, Docket No. 2026-0747-PST-E on November 17, 2026 assessing $1,875 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Julie Nieto, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Edgewater Midstream Pasadena LLC, Docket No. 2026-0751-AIR-E on November 17, 2026 assessing $4,850 in administrative penalties with $970 deferred. Information concerning any aspect of this order may be obtained by contacting Michael Wilkins, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding COMMUNITY NATIONAL BANK, Docket No. 2026-0784-MLM-E on November 17, 2026 assessing $11,767 in administrative penalties with $2,353 deferred. Information concerning any aspect of this order may be obtained by contacting Taner Hengst, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An expedited compliance order was adopted regarding EZ LIVING, LLC, Docket No. 2026-0795-PWS-E on November 17, 2026 assessing $125 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Hilda Iyasele, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Crouch Sand & Gravel, LLC, Docket No. 2026-0848-WQ-E on November 17, 2026 assessing $5,000 in administrative penalties with $1,000 deferred. Information concerning any aspect of this order may be obtained by contacting Alejandra Basave, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

A field citation was adopted regarding WM Trucking & Excavating, Inc., Docket No. 2026-0958-WQ-E on November 17, 2026 assessing $875 in administrative penalties with $875 deferred. Information concerning any aspect of this citation may be obtained by contacting Monica Larina, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Michael Boyd Irby and Emili Dawn Irby, Docket No. 2022-1393-OSS-E on November 17, 2026 assessing $5,500 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Marilyn Norrod, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding West Texas Commercial Properties LLC dba Hop In 430459, Docket No. 2024-0646-PST-E on November 17, 2026 assessing $4,462 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting William Hogan, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding DOSS COMMUNITY IMPROVEMENT CLUB, INC., Docket No. 2024-1159-PWS-E on November 17, 2026 assessing $750 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting A'twar Wilkins, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

TRD-202604961
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 17, 2026



Enforcement Orders

A default order was adopted regarding WE Concrete LLC, Docket No. 2020-1107-WQ-E on November 18, 2026 assessing $1,601 in administrative penalties with $320 deferred. Information concerning any aspect of this order may be obtained by contacting Allison Alt, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

A default order was adopted regarding Bullock, Leona, Docket No. 2021-1046-PWS-E on November 18, 2026 assessing $3,000 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Allison Alt, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Lazbuddie ISD, Docket No. 2022-0614-PWS-E on November 18, 2026 assessing $7,953 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Casey Cobb, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding City of Breckenridge, Docket No. 2023-0093-PWS-E on November 18, 2026 assessing $31,838 in administrative penalties with $6,367 deferred. Information concerning any aspect of this order may be obtained by contacting Cheryl Thomp-

son, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Coryell City Water Supply District, Docket No. 2023-0212-PWS-E on November 18, 2026 assessing $13,845 in administrative penalties with $2,769 deferred. Information concerning any aspect of this order may be obtained by contacting Casey Cobb, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding City of Callisburg, Docket No. 2024-0056-MWD-E on November 18, 2026 assessing $18,687 in administrative penalties with $3,737 deferred. Information concerning any aspect of this order may be obtained by contacting Raven Daigle, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Peaster ISD, Docket No. 2024-0107-MWD-E on November 18, 2026 assessing $31,250 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Penny Wimberly, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding City of Port Neches, Docket No. 2024-0227-MLM-E on November 18, 2026 assessing $222,139 in administrative penalties with $44,427 deferred. Information concerning any aspect of this order may be obtained by contacting Kadrienn Woodard, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding City of Santa Rosa, Docket No. 2024-0599-MLM-E on November 18, 2026 assessing $41,550 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Taylor Packell, Staff Attorney at (512) 239-3400, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Kleberg County, Docket No. 2024-0640-MWD-E on November 18, 2026 assessing $18,000 in administrative penalties with $3,600 deferred. Information concerning any aspect of this order may be obtained by contacting Penny Wimberly, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding 7912 Rohne LLC, Docket No. 2024-0710-WQ-E on November 18, 2026 assessing $25,347 in administrative penalties with $24,147 deferred. Information concerning any aspect of this order may be obtained by contacting Kadrienn Woodard, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding City of Andrews, Docket No. 2024-1001-MSW-E on November 18, 2026 assessing $52,064 in administrative penalties with $10,412 deferred. Information concerning any aspect of this order may be obtained by contacting Katie Phillips, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding City of Uvalde, Docket No. 2024-1472-MWD-E on November 18, 2026 assessing $20,500 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Kadrienn Woodard, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Dow Hydrocarbons And Resources LLC, Docket No. 2025-0030-AIR-E on November 18, 2026 assessing $99,973 in administrative penalties with $19,994 deferred. Information concerning any aspect of this order may be obtained by contacting Jennifer Graves, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Polynt Composites USA Inc, Docket No. 2025-0182-IHW-E on November 18, 2026 assessing $42,038 in administrative penalties with $8,407 deferred. Information concerning any aspect of this order may be obtained by contacting Katie Phillips, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Red River Authority of Texas, Docket No. 2025-1287-PWS-E on November 18, 2026 assessing $5,750 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Kaisie Hubschmitt, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Harris County Water Control And Improvement District 109, Docket No. 2025-1773-MWD-E on November 18, 2026 assessing $93,000 in administrative penalties. Information concerning any aspect of this order may be obtained by contacting Samantha Smith, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding North Texas Municipal Water District, Docket No. 2025-1860-MWD-E on November 18, 2026 assessing $74,250 in administrative penalties with $14,850 deferred. Information concerning any aspect of this order may be obtained by contacting Samantha Smith, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding US Department of the Interior, Docket No. 2026-0021-MWD-E on November 18, 2026 assessing $134,913 in administrative penalties with $26,982 deferred. Information concerning any aspect of this order may be obtained by contacting Harley Hobson, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Brazoria County MUD 40, Docket No. 2026-0133-MWD-E on November 18, 2026 assessing $22,750 in administrative penalties with $4,550 deferred. Information concerning any aspect of this order may be obtained by contacting Samantha Smith, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

An agreed order was adopted regarding Harris County MUD 412, Docket No. 2026-0158-MWD-E on November 18, 2026 assessing $13,500 in administrative penalties with $2,700 deferred. Information concerning any aspect of this order may be obtained by contacting Madison Crawford, Enforcement Coordinator at (512) 239-2545, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087.

TRD-202604987
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 18, 2026

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Notice of an Application for an Extension of Time to Commence and Complete Construction Authorized by a Certificate of Adjudication Application No. 12-4031a

Notices Issued November 2, 2026,

Palo Pinto County Municipal Water District No. 1, P.O. Box 387, Mineral Wells, Texas 76068, seeks authorization to extend the time to commence and complete construction of Turkey Peak Dam, located on Palo Pinto Creek, tributary of the Brazos River, Brazos River Basin. More information on the application and how to participate in the permitting process is given below.

The application and fees were received on September 8, 2026. The application was declared administratively complete and filed with office of the Chief Clerk on September 24, 2026.

The Executive Director has completed the technical review of the application and prepared a draft Order. The draft Order, if granted, would authorize the extension of time to commence and complete construction of Turkey Peak Dam. The application, technical memoranda and Executive Director's draft Order are available for viewing on the TCEQ webpage at: https://www.tceq.texas.gov/permitting/water_rights/wr-permitting/view-wr-pend-apps

Alternatively, you may request a copy of the documents by contacting the TCEQ Office of the Chief Clerk by phone at (512) 239-3300 or by mail at TCEQ OCC, Notice Team (MC-105), P.O. Box 13087, Austin, Texas 78711.

Written public comments and requests for a public meeting should be submitted to the Office of Chief Clerk, at the address provided in the information section below, within 30 days of the date of newspaper publication of the notice. A public meeting is intended for the taking of public comment and is not a contested case hearing. A public meeting will be held if the Executive Director determines that there is a significant degree of public interest in the application.

The TCEQ may grant a contested case hearing on this application if a written hearing request is filed within 30 days from the date of newspaper publication of this notice. The Executive Director may approve the application unless a written request for a contested case hearing is filed within 30 days after newspaper publication of this notice.

To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) applicant's name and permit number; (3) the statement "[*I/we*] request a contested case hearing;" (4) a brief and specific description of how you would be affected by the application in a way not common to the general public; and (5) the location and distance of your property relative to the proposed activity. You may also submit proposed conditions for the requested permit which would satisfy your concerns. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below.

If a hearing request is filed, the Executive Director will not issue the permit and will forward the application and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

Written hearing requests, public comments, or requests for a public meeting should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at https://www14.tceq.texas.gov/epic/eComment/ by entering ADJ 4031 in the search field. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Public Education Program at (800) 687-4040. General information regarding the TCEQ can be found at our website at www.tceq.texas.gov. Si desea información en español, puede llamar al (800) 687-4040 o por el internet al http://www.tceq.texas.gov.

TRD-202604800
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Correction to Agreed Order Number 29

In the September 18, 2026, issue of the *Texas Register* (51 TexReg 6578), the Texas Commission on Environmental Quality (commission) published notice of Agreed Orders, specifically Item Number 29, for Mid-America Pipeline Company, LLC; Docket Number 2024-1663-AIR-E. The error is as submitted by the commission.

The reference to the location should be corrected to read: "Hockley, Hockley County."

For questions concerning these errors, please contact Michael Parrish at (512) 239-2548.

TRD-202604846
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: November 16, 2026

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Notice of District Petition - D-10072026-010

Notice issued November 10, 2026

TCEQ Internal Control No. D-10072026-010: DPEG Beasley, LP, and Cividi LLC (Petitioners) filed a petition for creation of Fort Bend County Municipal Utility District No. 294 (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioners hold a majority in value of the land to be included in the proposed District; (2) there are no lienholders, on the property to be included in the proposed District; (3) the proposed District will contain approximately 305.39 acres located within Fort Bend County, Texas; and (4) the District is entirely outside the extraterritorial jurisdiction of municipality. The petition further states that the proposed District will: (1) purchase, construct, acquire, improve, extend, maintain, and operate a water works and sanitary sewer system for domestic and commercial purposes; (2) purchase, construct, acquire, improve, extend, maintain, and operate works, improvements, facilities, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the proposed District; (3) control, abate, and amend local storm waters or other harmful excesses of waters; and (4) purchase, construct, acquire, improve, maintain, and operate such additional improvements, facilities, equipment, and recreational facilities as shall be consistent with all of the purposes for which the proposed District is created. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioners that the cost of said project will be approximately $50,220,000 for water, wastewater, and drainage plus $12,540,000 for recreation plus $29,355,000 for roads.

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing request is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202604806
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of District Petition - D-10222026-038

Notice issued November 5, 2026

TCEQ Internal Control No. D-10222026-038: FORESTAR (USA) REAL ESTATE GROUP INC., a Delaware corporation (Petitioner) filed a petition for creation of Waller County Municipal Utility District No. 83 (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there are no lienholders on the property to be included in the proposed District; (3) the proposed District will contain approximately 300.1456 acres of land located within Waller County, Texas; and (4) none of the land to be included within the proposed district is located within corporate limits or extraterritorial jurisdiction of any city. The territory to be included in the proposed District is depicted in the vicinity map designated as Exhibit "A," which is attached to this document.

The petition further states that the work proposed to be done by the District at the present time is the purchase, construction, acquisition, maintenance, ownership, operation, repair, improvement and extension of a waterworks and sanitary sewer system for residential and commercial purposes, and the construction, acquisition, improvement, extension, maintenance and operation of works, improvements, facilities, plants, equipment and appliances helpful or necessary to provide more adequate drainage for the District, and to control, abate and amend local storm waters or other harmful excesses of waters, all as more particularly described in an engineer's report filed simultaneously with the filing of this petition, to which reference is hereby made for more detailed description, and such other purchase, construction, acquisition, improvement, maintenance and operation of such additional facilities, systems, plants and enterprises, and road facilities and park and recreational facilities, as shall be consistent with all of the purposes for which the District is created. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioner that the cost of said project will be approximately $66,080,000 ($35,560,000 for water, wastewater, and drainage facilities, $28,110,000 for roads, and $2,410,000 for recreational facilities) at the time of submittal.

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing request is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202604803
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Opportunity to Comment on Agreed Orders of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Agreed Orders (AOs) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075, requires that before the commission may approve the AOs, the commission shall allow the public an opportunity to submit written comments on the proposed AOs. TWC, §7.075, requires that notice of the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **December 23, 2026**. TWC, §7.075, also requires that the commission promptly consider any written comments received and that the commission may withdraw or withhold approval of an AO if a comment discloses facts or considerations that indicate that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed AO is not required to be published if those changes are made in response to written comments.

A physical copy of the proposed AO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 and at the applicable regional office listed as follows. Additionally, copies of the proposed AO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed AO's identifying information, such as its docket number. Written comments about an AO should be sent to the attorney designated for the AO at the commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on December 23, 2026**. The designated attorneys are available to discuss the AOs and/or the comment procedure at the listed phone numbers; however, TWC, §7.075, provides that comments on an AO shall be submitted to the commission in **writing**.

(1) COMPANY: City of West Tawakoni; DOCKET NUMBER: 2025-0892-PWS-E; TCEQ ID NUMBER: RN101423671; LOCATION: 1533 East State Highway 276; West Tawakoni, Hunt County; TYPE OF FACILITY: a public water system; PENALTY: $2,520; STAFF ATTORNEY: Taylor Pack Ellis, Litigation, MC 175, (512) 239-6860; REGIONAL OFFICE: Dallas-Fort Worth Regional Office, 2309 Gravel Drive, Fort Worth, Texas 76118-6951, (817) 588-5800.

(2) COMPANY: Southwest Texas Commercial Properties LLC; DOCKET NUMBER: 2024-1882-PST-E; TCEQ ID NUMBER: RN102387255; LOCATION: 303 North Divide Street, Eldorado, Schleicher County; TYPE OF FACILITY: an underground storage tank system and a convenience store with retail sales of gasoline; PENALTY: $8,782; STAFF ATTORNEY: William Hogan, Litigation, MC 175, (512) 239-5918; REGIONAL OFFICE: San Angelo Regional Office, 622 South Oakes, Suite K, San Angelo, Texas 76903-7035, (325) 655-9479.

(3) COMPANY: West Texas Commercial Properties LLC; DOCKET NUMBER: 2024-1081-PST-E; TCEQ ID NUMBER: RN102006988; LOCATION: 3911 College Avenue, Snyder, Scurry County; TYPE OF FACILITY: an underground storage tank system and a convenience store with retail sales of gasoline; PENALTY: $8,240; STAFF ATTORNEY: William Hogan, Litigation, MC 175, (512) 239-5918; REGIONAL OFFICE: Abilene Regional Office, 1977 Industrial Boulevard, Abilene, Texas 79602-7833, (325) 698-9674.

TRD-202604778
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Opportunity to Comment on an Agreed Order of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Agreed Order (AO) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075, requires that before the commission may approve the AO, the commission shall allow the public an opportunity to submit written comments on the proposed AO. TWC, §7.075, requires that notice of the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **December 30, 2026**. TWC, §7.075, also requires that the commission promptly consider any written comments received and that the commission may withdraw or withhold approval of an AO if a comment discloses facts or considerations that indicate that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed AO is not required to be published if those changes are made in response to written comments.

A physical copy of the proposed AO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 and at the applicable regional office listed as follows. Additionally, copies of the proposed AO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed AO's identifying information, such as its docket number. Written comments about an AO should be sent to the attorney designated for the AO at the commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on December 30, 2026**. The designated attorney is available to discuss the AO and/or the comment procedure at the listed phone number; however, TWC, §7.075, provides that comments on an AO shall be submitted to the commission in **writing**.

(1) COMPANY: Lakeview Water Supply & Sewer Service Corporation; DOCKET NUMBER: 2024-0141-PWS-E; TCEQ ID NUMBER: RN101278307; LOCATION: 0.17 miles north of the intersection of County Road 14 and Farm-to-Market Road 3517 near Lakeview, Hall County; TYPE OF FACILITY: a public water system; PENALTY: $6,960; STAFF ATTORNEY: Taylor Pack Ellis, Litigation, MC 175, (512) 239-6860; REGIONAL OFFICE: Amarillo Regional Office, 3918 Canyon Drive, Amarillo, Texas 79109-4933, (806) 353-9251.

TRD-202604881
Gitanjali Yadav
Deputy Director, Litigation
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Notice of Opportunity to Comment on Default Orders of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Default Orders (DOs). The commission staff proposes a DO when the staff has sent the Executive Director's Preliminary Report and Petition (EDPRP) to an entity outlining the alleged violations; the proposed penalty; the proposed technical requirements necessary to bring the entity back into compliance; and the entity fails to request a hearing on the matter within 20 days of its receipt of the EDPRP or requests a hearing and fails to participate at the hearing. Similar to the procedure followed with respect to Agreed Orders entered into by the executive director of the commission, in accordance with Texas Water Code (TWC), §7.075, this notice of the proposed order and the opportunity to comment is published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **December 23, 2026**. The commission will consider any written comments received, and the commission may withdraw or withhold approval of a DO if a comment discloses facts or considerations that indicate that consent to the proposed DO is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction, or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed DO is not required to be published if those changes are made in response to written comments.

A copy of each proposed DO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 and at the applicable regional office listed as follows. Additionally, copies of the DO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed DO's identifying information, such as its docket number. Written comments about the DO should be sent to the attorney designated for the DO at the commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on December 23, 2026**. The commission's attorneys are available to discuss the DOs and/or the comment procedure at the listed phone numbers; however, TWC, §7.075, provides that comments on the DO shall be submitted to the commission in **writing**.

(1) COMPANY: Brighton Manor Apartments, L.P.; DOCKET NUMBER: 2024-0341-PWS-E; TCEQ ID NUMBER: RN102698743; LOCATION: 195 Peach Street, Blanco County; TYPE OF FACILITY: a public water system; PENALTY: $20,124; STAFF ATTORNEY: Misty James, Litigation, MC 175, (512) 239-0631; REGIONAL OFFICE: Austin Regional Office, 12100 Park 35 Circle, Building A, Room 179, Austin, Texas 78753, (512) 339-2929.

(2) COMPANY: Jesse Soto and Eloisa Pena; DOCKET NUMBER: 2022-0015-OSS-E; TCEQ ID NUMBER: RN110674504; LOCATION: 226 Frontier Lane, in or near Jones Creek, Brazoria County; TYPE OF FACILITY: on-site sewage facility; PENALTY: $500; STAFF ATTORNEY: Benjamin Pence, Litigation, MC 175, (512) 239-2157; REGIONAL OFFICE: Houston Regional Office, 5425 Polk Street, Suite H, Houston, Texas 77023-1452, (713) 767-3500.

TRD-202604779
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Opportunity to Comment on Default Orders of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Default Orders (DOs). The commission staff proposes a DO when the staff has sent the Executive Director's Preliminary Report and Petition (EDPRP) to an entity outlining the alleged violations; the proposed penalty; the proposed technical requirements necessary to bring the entity back into compliance; and the entity fails to request a hearing on the matter within 20 days of its receipt of the EDPRP or requests a hearing and fails to participate at the hearing. Similar to the procedure followed with respect to Agreed Orders entered into by the executive director of the commission, in accordance with Texas Water Code (TWC), §7.075, this notice of the proposed order and the opportunity to comment is published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **December 30, 2026**. The commission will consider any written comments received, and the commission may withdraw or withhold approval of a DO if a comment discloses facts or considerations that indicate that consent to the proposed DO is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction, or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed DO is not required to be published if those changes are made in response to written comments.

A copy of each proposed DO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 and at the applicable regional office listed as follows. Additionally, copies of the DO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed DO's identifying information, such as its docket number. Written comments about the DO should be sent to the attorney designated for the DO at the commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on December 30, 2026**. The commission's attorneys are available to discuss the DOs and/or the comment procedure at the listed phone numbers; however, TWC, §7.075, provides that comments on the DO shall be submitted to the commission in **writing**.

(1) COMPANY: Jeffrey Sturrock; DOCKET NUMBER: 2023-0644-MSW-E; TCEQ ID NUMBER: RN110635414; LOCATION: 307 Private Road 6180 near Jasper, Jasper County; TYPE OF FACILITY: an unauthorized municipal solid waste disposal site; PENALTY: $3,750; STAFF ATTORNEY: Katherine Keithley, Litigation, MC 175, (512) 239-0620; REGIONAL OFFICE: Beaumont Regional Office, 3870 Eastex Freeway, Beaumont, Texas 77703-1830, (409) 898-3838.

(2) COMPANY: Jonathan P. Morin; DOCKET NUMBER: 2025-0088-PST-E; TCEQ ID NUMBER: RN101673911; LOCATION: 488 Farm-to-Market Road 416, Streetman, Freestone County; TYPE OF FACILITY: a temporarily out-of-service underground storage tank system and former convenience store; PENALTY: $9,775; STAFF ATTORNEY: Marilyn Norrod, Litigation, MC 175, (512) 239-5916; REGIONAL OFFICE: Waco Regional Office, 6801 Sanger Avenue, Suite 2500, Waco, Texas 76710-7826, (254) 751-0335.

TRD-202604884

Gitanjali Yadav
Deputy Director, Litigation
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Notice of Public Hearing on Assessment of Administrative Penalties and Requiring Certain Actions of MTX Materials, LP SOAH Docket No. 582-27-02715 TCEQ Docket No. 2024-1499-WQ-E

The Texas Commission on Environmental Quality (TCEQ or the Commission) has referred this matter to the State Office of Administrative Hearings (SOAH). An Administrative Law Judge with the State Office of Administrative Hearings will conduct a public hearing via Zoom videoconference:

10:00 a.m. (CT) - December 10, 2026

To join the Zoom meeting via computer or smart device:

https://soah-texas.zoomgov.com

Meeting ID: 161 984 0712

Password: TCEQDC1

or

To join the Zoom meeting via telephone dial:

+1 (669) 254-5252

Meeting ID: 161 984 0712

Password: 5247869

The purpose of the hearing will be to consider the Executive Director's Preliminary Report and Petition mailed May 15, 2026 concerning assessing administrative penalties against and requiring certain actions of MTX Materials, LP, for violations in Montgomery County, Texas, of: 30 Texas Administrative Code §§281.25(a)(4), 311.103(d), and 342.25(d), and Texas Pollutant Discharge Elimination System ("TPDES") General Permit No. TXR05GI93, Part II, Section B(10), Part III, Section E, 1(a)(2) and 2(b), and Part V, Section J, 9(f).

The hearing will allow MTX Materials, LP, the Executive Director, and the Commission's Public Interest Counsel to present evidence on whether a violation has occurred, whether an administrative penalty should be assessed, and the amount of such penalty, if any. The first convened session of the hearing will be to establish jurisdiction, afford MTX Materials, LP, the Executive Director of the Commission, and the Commission's Public Interest Counsel an opportunity to negotiate and to establish a discovery and procedural schedule for an evidentiary hearing. Unless agreed to by all parties in attendance at the preliminary hearing, an evidentiary hearing will not be held on the date of this preliminary hearing. Upon failure of **MTX Materials, LP** to appear at the preliminary hearing or evidentiary hearing, the factual allegations in the notice will be deemed admitted as true, and the relief sought in the notice of hearing may be granted by default. The specific allegations included in the notice are those set forth in the Executive Director's Preliminary Report and Petition, attached hereto and incorporated herein for all purposes. MTX Materials, LP, the Executive Director of the Commission, and the Commission's Public Interest Counsel are the only designated parties to this proceeding.

Legal Authority: Tex. Water Code §7.054 and Tex. Water Code chs. 7, 26, and 28A and 30 Texas Administrative Code chs. 70 and 281, 311, and 342; Tex. Water Code §7.058, and the Rules of Procedure of the Texas Commission on Environmental Quality and the State Office of Administrative Hearings, including 30 Texas Administrative Code §70.108 and §70.109 and ch. 80, and 1 Texas Administrative Code ch. 155.

Further information regarding this hearing may be obtained by contacting Taylor Pack Ellis, Staff Attorney, Texas Commission on Environmental Quality, Litigation Division, Mail Code 175, P.O. Box 13087, Austin, Texas 78711-3087, telephone (512) 239-3400. Information concerning your participation in this hearing may be obtained by contacting the Office of Public Interest Counsel, Mail Code 103, at the same P. O. Box address given above, or by telephone at (512) 239-6363.

Any document filed prior to the hearing must be filed with TCEQ's Office of the Chief Clerk and SOAH. Documents filed with the Office of the Chief Clerk may be filed electronically at **www.tceq.texas.gov/goto/efilings** or sent to the following address: TCEQ Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087. When contacting the Commission or SOAH regarding this matter, reference the SOAH docket number given at the top of this notice.

In accordance with 1 Texas Administrative Code §155.401(a), Notice of Hearing, "Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at **www.soah.texas.gov**, or in printed format upon request to SOAH."

Persons who need special accommodations at the hearing should call the SOAH Docketing Department at (512) 475-3445, at least one week before the hearing.

TRD-202604962
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Notice of Public Meeting for Air Quality Permits Proposed Air Quality Permit Numbers 181815, PSDTX1682, and GHGPSDTX262

APPLICATION. North Royal Energy Center LLC, 1 S Wacker Dr Ste 1500, Chicago, Illinois 60606-5600, has applied to the Texas Commission on Environmental Quality (TCEQ) for issuance of Proposed Air Quality Permit 181815, Prevention of Significant Deterioration (PSD) Air Quality Permit PSDTX1682, and issuance of Greenhouse Gas (GHG) PSD Air Quality Permit GHGPSDTX262, which would authorize construction of the North Royal Energy Center LLC located on County Road 17300, near the town of Deport, Lamar County, Texas 75434. The site can be located by traveling east from the unincorporated community of Cunningham in Lamar County Texas on Farm Road 196 for 0.8 miles, then turn right onto County Road 17300. Continue on County Road 17300 for 1.1 miles, then head South at the fork onto County Road 17360. Head straight on County Road 17360 for 1.1 miles, reaching the intersection of County Road 17360 and County Road 17300. South of this intersection is an unnamed dirt road. Follow the dirt road for 0.1 miles and the facility entrance will be on the left-hand side.

AVISO DE IDIOMA ALTERNATIVO. El aviso de idioma alternativo en español está disponible en https://www.tceq.texas.gov/permitting/air/newsourcereview/airpermits-pendingpermit-apps.

The proposed facility will emit the following air contaminants in a significant amount: carbon monoxide, nitrogen oxides, organic com-

pounds, particulate matter including particulate matter with diameters of 10 microns or less and 2.5 microns or less and greenhouse gases. In addition, the facility will emit the following air contaminants: hazardous air pollutants, lead, sulfuric acid and sulfur dioxide.

The degree of PSD increment predicted to be consumed by the proposed facility and other increment-consuming sources in the area is as follows:

Nitrogen Dioxide

Maximum Averaging Time	Maximum Increment Consumed ($\mu g/m^3$)	Allowable Increment ($\mu g/m^3$)
Annual	4	25

$PM_{2.5}$

Maximum Averaging Time	Maximum Increment Consumed ($\mu g/m^3$)	Allowable Increment ($\mu g/m^3$)
24-hour	4.78	9
Annual	0.39	4

This application was submitted to the TCEQ on October 10, 2025. The executive director has determined that the emissions of air contaminants from the proposed facility which are subject to PSD review will not violate any state or federal air quality regulations and will not have any significant adverse impact on soils, vegetation, or visibility. All air contaminants have been evaluated, and "best available control technology" will be used for the control of these contaminants.

The executive director has completed the technical review of the application and prepared a draft permit which, if approved, would establish the conditions under which the facility must operate. The permit application, executive director's preliminary decision, draft permit, and the executive director's preliminary determination summary and executive director's air quality analysis, will be available for viewing and copying at the TCEQ central office, the TCEQ Tyler regional office, and at the Paris Public Library, 326 South Main Street, Paris, Lamar County, Texas 75460. The facility's compliance file, if any exists, is available for public review at the TCEQ Tyler Regional Office, 2916 Teague Drive, Tyler, Texas. The application, including any updates, is available electronically at the following webpage: https://www.tceq.texas.gov/permitting/air/airpermit-applications-notices.

INFORMATION AVAILABLE ONLINE. These documents are accessible through the Commission's website at www.tceq.texas.gov/goto/cid: the executive director's preliminary decision which includes the draft permit, the executive director's preliminary determination summary, the air quality analysis, and, once available, the executive director's response to comments and the final decision on this application. Access the Commissioners' Integrated Database (CID) using the above link and enter the permit number for this application. The public location mentioned above, the Paris Public Library, provides public access to the internet. This link to an electronic map of the site or facility's general location is provided as a public courtesy and not part of the application or notice. For exact location, refer to application. https://gisweb.tceq.texas.gov/LocationMapper/?marker=-95.329722,33.395&level=13.

PUBLIC COMMENT/PUBLIC MEETING. You may submit public comments to the Office of the Chief Clerk at the address below. The TCEQ will consider all public comments in developing a final decision on the application. A public meeting will be held and will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application, and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. At the conclusion of the comment period, all formal comments will be considered before a decision is reached on the permit application. A written response to all formal comments will be prepared by the executive director and will be sent to each person who submits a formal comment or who requested to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment Period can be considered if a contested case hearing is granted on this permit application.

The Public Meeting is to be held:

Monday, December 14, 2026 at 7:00 p.m.

Love Civic Center

2025 S. Collegiate Drive

Paris, Texas 75460

MAILING LIST. You may ask to be placed on a mailing list to obtain additional information on this application by sending a request to the Office of the Chief Clerk at the address below.

INFORMATION. Members of the public are encouraged to submit written comments anytime during the public meeting or by mail before the close of the public comment period to the Office of the Chief Clerk, TCEQ, Mail Code MC-105, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at https://www14.tceq.texas.gov/epic/eComment/. If you need more information about the permit application or the permitting process, please call the TCEQ Public Education Program, toll free, at (800) 687-4040. General information can be found at our Web site at www.tceq.texas.gov. *Si desea información en español, puede llamar al (800) 687-4040.*

Further information may also be obtained from North Royal Energy Center LLC at the address stated above or by calling Tom Feiler, Director, Development, (303) 931-3017.

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or (800) RELAY-TX (TDD) at least five business days prior to the meeting.

Notice Issuance Date: November 10, 2026

TRD-202604805
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Request for Public Comment and Notice of a Public Meeting on One Draft Total Maximum Daily Load for Indicator Bacteria in Biloxi Creek

Aviso de Solicitud de Comentarios Públicos y Aviso de Reunión Pública Sobre Un Proyecto Carga Diaria Máxima Total de Microorganismos Indicadores en Biloxi Creek

The Texas Commission on Environmental Quality (TCEQ) has made available for public comment One Draft Total Maximum Daily Load (TMDL) for Indicator Bacteria in Biloxi Creek of the Neches River Basin, in Angelina County.

The purpose of the meeting is to provide the public with an opportunity to comment on the draft TMDL for one assessment unit (AU): Biloxi Creek, 0604M_02.

A TMDL is a detailed water quality assessment that provides the scientific foundation to allocate pollutant loads in a certain body of water in order to restore and maintain designated uses. The commission requests comments on each of the major components of the TMDL: problem definition, endpoint identification, source analysis, linkage analysis, margin of safety, pollutant load allocation, seasonal variation, public participation, and implementation and reasonable assurance.

After the public comment period, TCEQ may revise the draft TMDL if appropriate. The final TMDL will then be considered by the commission for adoption. Upon adoption, the final TMDL and responses to all comments received will be made available on TCEQ's website. The TMDL will then be submitted to the United States Environmental Protection Agency (EPA) Region 6 office for final action. Upon approval by EPA, the TMDL will be certified as an update to the State of Texas Water Quality Management Plan.

Public Meeting and Testimony. The public meeting for the draft TMDL will be held at the **Texas Forestry Association, 1903 Atkinson Dr, Lufkin, Texas 75901, on December 17, 2026, at 6:00 p.m.**

Please periodically check the project website before the meeting date for meeting related updates:

https://www.tceq.texas.gov/waterquality/tmdl/nav/118-lufkinwatersheds-bacteria.

During this meeting, individuals will have the opportunity to present oral statements. An agency staff member will give a brief presentation at the start of the meeting and will be available to answer questions before and after all oral statements have been received.

Written Comments. Please choose one of the methods provided to submit your written comments. Written comments on the draft TMDL may be submitted to Sophia Staska, Water Quality Planning Division, Texas Commission on Environmental Quality, MC 203, P.O. Box 13087, Austin, Texas 78711-3087 or eFaxed to (512) 239-1414. Electronic comments may be submitted at: *https://tceq.commentinput.com.* File size restrictions may apply to comments being submitted via the TCEQ Public Comment system. All written comments must be received by TCEQ by December 30, 2026, and should reference One Draft Total Maximum Daily Load for Indicator Bacteria in Biloxi Creek.

For further information regarding the draft TMDL, please contact Sophia Staska at *TMDL@tceq.texas.gov.* The draft TMDL can be obtained via TCEQ's website at *https://www.tceq.texas.gov/waterquality/tmdl/nav/118-lufkinwatersheds-bacteria.*

Persons who have special communication or other accommodation needs who are planning to participate in the meeting should contact Sophia Staska at *TMDL@tceq.texas.gov.* Requests should be made as far in advance as possible.

If you need translation services, please contact TCEQ at (800) 687-4040. Si desea información general en español, puede llamar al (800) 687-4040.

Para la versión en español de este documento de aviso público, por favor visite:

https://www.tceq.texas.gov/waterquality/tmdl/nav/118-lufkinwatersheds-bacteria.

TRD-202604870
Amy L. Browning
Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Notice of Request for Public Comment and Notice of a Public Meeting on One Draft Total Maximum Daily Load for Indicator Bacteria in West Mud Creek

Aviso de Solicitud de Comentarios Públicos y Aviso de Reunión Pública Sobre Un Proyecto Carga Diaria Máxima Total de Microorganismos Indicadores en West Mud Creek

The Texas Commission on Environmental Quality (TCEQ) has made available for public comment One Draft Total Maximum Daily Load (TMDL) for Indicator Bacteria in West Mud Creek, of the Neches River Basin, in Smith and Cherokee counties.

The purpose of the meeting is to provide the public with an opportunity to comment on the draft TMDL for one assessment unit (AU): West Mud Creek, 0611D_01.

A TMDL is a detailed water quality assessment that provides the scientific foundation to allocate pollutant loads in a certain body of water in order to restore and maintain designated uses. The commission requests comments on each of the major components of the TMDL: problem definition, endpoint identification, source analysis, linkage analysis, margin of safety, pollutant load allocation, seasonal variation, public participation, and implementation and reasonable assurance.

After the public comment period, TCEQ may revise the draft TMDL if appropriate. The final TMDL will then be considered by the commission for adoption. Upon adoption, the final TMDL and responses to all comments received will be made available on TCEQ's website. The TMDL will then be submitted to the United States Environmental Protection Agency (EPA) Region 6 office for final action. Upon approval by EPA, the TMDL will be certified as an update to the State of Texas Water Quality Management Plan.

Public Meeting and Testimony. The public meeting for the draft TMDL will be held at the **Whitehouse City Center, 109 E. Main St, Whitehouse, Texas 75791, on December 16, 2026, at 6:00 p.m.**

Please periodically check the project website before the meeting date for meeting related updates:

https://www.tceq.texas.gov/waterquality/tmdl/nav/127-west-mud-creek.

During this meeting, individuals will have the opportunity to present oral statements. An agency staff member will give a brief presentation at the start of the meeting and will be available to answer questions before and after all oral statements have been received.

Written Comments. Please choose one of the methods provided to submit your written comments. Written comments on the draft TMDL may be submitted to Sam Bickley, Water Quality Planning Division, Texas Commission on Environmental Quality, MC 203, P.O. Box 13087, Austin, Texas 78711-3087 or eFaxed to (512) 239-1414. Electronic comments may be submitted at: *https://tceq.commentinput.com.* File size restrictions may apply to comments being submitted via the TCEQ Public Comment system. All written comments must be received by TCEQ by December 30, 2026, and should reference One Draft Total Maximum Daily Load for Indicator Bacteria in West Mud Creek.

For further information regarding the draft TMDL, please contact Sam Bickley at *TMDL@tceq.texas.gov*. The draft TMDL can be obtained via TCEQ's website at *https://www.tceq.texas.gov/waterquality/tmdl/nav/127-west-mud-creek.*

Persons who have special communication or other accommodation needs who are planning to participate in the meeting should contact Sam Bickley at *TMDL@tceq.texas.gov*. Requests should be made as far in advance as possible.

If you need translation services, please contact TCEQ at 800-687-4040. Si desea información general en español, puede llamar al (800) 687-4040.

Para la versión en español de este documento de aviso público, por favor visite:

https://www.tceq.texas.gov/waterquality/tmdl/nav/127-west-mud-creek.

TRD-202604869
Amy L. Browning
Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Notice of Water Quality Application - WQ0000305000 Minor Amendment

The following notice was issued on November 17, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS PUBLISHED IN THE *TEXAS REGISTER.*

INFORMATION SECTION

Oxy Vinyls, LP, which operates Deer Park PVC Plant, a facility which manufactures polyvinyl chloride and anhydrous potassium hydroxide, has applied to the TCEQ for a minor amendment to Texas Pollutant Discharge Elimination System Permit No. WQ0000305000 to allow continuous pH monitoring at Outfalls 002, 003, and 004. The draft permit authorizes the discharge of process wastewater from the anhydrous plant, once-through cooling/heating water, other utility wastewaters, and stormwater at a daily average flow not to exceed 105,000,000 gallons per day via Outfall 002; once-through cooling water, other utility wastewater, and stormwater at a daily average flow not to exceed 8,000,000 gallons per day via Outfall 003; stormwater on an intermittent and flow-variable basis via Outfall 004; and treated process wastewaters from polyvinyl chloride production and vinyl chloride monomer (VCM) production, utility wastewaters (including utility wastewater from the Battleground and VCM Sites), treated groundwater wastewater, treated domestic wastewater, and stormwater at a daily average flow not to exceed 2,000,000 gallons per day via Outfall 005 (Final Phase). The facility is located at 1000 Tidal Road, approximately one mile north of the intersection of State Highway 225 and Tidal Road, bounded on the north by the Houston Ship Channel, on the south by the Port Terminal/Southern Pacific Railroad lines, on the east by Tidal Road/Dow Chemical Corporation and on the west by Patrick Bayou, in the City of Deer Park, Harris County, Texas 77536.

TRD-202604966
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 17, 2026

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Notice of Water Quality Application - WQ0003544000 Minor Amendment

The following notice was issued on November 5, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

Monument Chemical Port Arthur, LLC, which operates Monument Chemical Port Arthur, an industrial organic chemical vacuum distillation facility, has applied for a minor amendment to Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0003544000 to revise the site's flow measuring device, sample type, and sample frequency; to include a provision to account for high tide conditions; and to revise the description of rainfall data collection in Other Requirements No. 5. The draft permit authorizes the discharge of treated process wastewater, process area stormwater, utility wastewater (non-contact cooling water, boiler blowdown, and firewater test waters), and stormwater (including stormwater from diked tank farm areas) at a daily average flow not to exceed 100,000 gallons per day via Outfall 001. The facility is located at 2450 South Gulfway Drive, approximately five miles southwest of the Port Arthur City Hall, in the City of Port Arthur, Jefferson County, Texas 77640.

TRD-202604799
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Water Quality Application - WQ0016213001 Minor Amendment

The following notice was issued on November 6, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

Indie Catch, LLC has applied for a minor amendment to the Texas Pollutant Discharge Elimination System Permit No. WQ0016213001, to authorize an increase in daily average flow in the Interim I phase from 75,000 gallons per day to 150,000 gallons per day. The existing permit authorizes the discharge of treated domestic wastewater at a daily average flow not to exceed 975,000 gallons per day. The facility will be located at 7601 County Road 508, in Johnson County, Texas 76009.

TRD-202604801
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 10, 2026

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Notice of Water Quality Application - WQ0016395001 Minor Amendment

The following notice was issued on November 18, 2026:

The following notice does not require publication in a newspaper. Written comments or requests for a public meeting may be submitted to the Office of the Chief Clerk, Mail Code 105, P.O. Box 13087, Austin, Texas 78711-3087 WITHIN (30) DAYS FROM THE DATE THIS NOTICE IS MAILED.

INFORMATION SECTION

HWC Melina Land, LLC has applied for a minor amendment to the Texas Pollutant Discharge Elimination System Permit No. WQ0016395001 to increase the Interim I phase from 0.08 million gallons per day (MGD) to 0.15 MGD, the Interim II phase from 0.16 MGD to 0.23 MGD, and the Interim III phase from 0.24 MGD to 0.46 MGD. The existing permit authorizes the discharge of treated domestic wastewater at a daily average flow not to exceed 990,000 gallons per day. The facility will be located approximately 1.2 miles northeast of the intersection of County Road 110 and University Boulevard, in Williamson County, Texas 78626.

TRD-202604988
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: November 18, 2026

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Department of Family and Protective Services

DFPS Rule Review Plan

The Texas Department of Family and Protective Services (DFPS) reviews its rules in Title 40, Part 19, of the Texas Administrative Code at least every four years, according to the schedule below and Texas Government Code §2001.039.

During this review, DFPS program staff with guidance from the Office of General Counsel, will assess whether the reasons for initially adopting the rules continue to exist. DFPS will submit to the Texas Register "Notices of Proposed Rule Reviews" in accordance with the timeline promulgated below. This initiates a 30-day public comment period limited to the scope of whether the reasons for initially adopting the rules continue to exist.

If DFPS determines that the rules should continue to exist, DFPS will consider any public comments, and re-adopt the rules by publishing the Adopted Rule Review in the *Texas Register*. If amendments are identified, DFPS will begin amending the rules through separate rulemaking with additional opportunities for public comment. As part of this separate subsequent rulemaking process, DFPS will classify each rule's statutory authority and regulatory burden and identify opportunities to simplify rules and reduce costs or inconvenience while preserving public protection and legal requirements.

All new rules adopted after the approval of this Rule Review Plan will be added to the next four-year cycle to be reviewed no later than four years after the rules' effective date.

The Rule Review Plan below is DFPS's timeline to review and assess whether the reasons for initially adopting the rules continue to exist.

Chapter	Number of Rules	Last Adoption of Rule Review	Target Action/DFPS Internal Review Complete	Publish Notice of the Proposed Rule Review	Publish Adopted Rule Review
700. Child Protective Services	241	April 8, 2025	December 2028	February 2029	April 2029
702. General Administration	65	April 8, 2025	December 2028	February 2029	April 2029
704. Prevention and Early Interventions Services	N/A- Entire Chapter Repealed	April 8, 2025	N/A- Entire Chapter Repealed	--	--
705. Adult Protective Services	30	April 8, 2025	December 2028	February 2029	April 2029
707. Child Protective Investigations	110	April 8, 2025	December 2028	February 2029	April 2029
730. Legal Services	73	April 8, 2025	December 2028	February 2029	April 2029
732. Contracted Services	20	April 8, 2025	December 2028	February 2029	April 2029
735. Independent Court-Ordered Adoption Evaluations	30	April 8, 2025	December 2028	February 2029	April 2029

TRD-202604868
Sanjuanita Maltos
Rules Coordinator
Department of Family and Protective Services
Filed: November 16, 2026

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General Land Office

Notice and Opportunity to Comment on Requests for Consistency Agreement/Concurrence Under the Texas Coastal Management Program

On January 10, 1997, the State of Texas received federal approval of the Coastal Management Program (CMP) (62 *Federal Register* pp. 1439 - 1440). Under federal law, federal agency activities and actions affecting the Texas coastal zone must be consistent with the CMP goals and policies identified in 31 TAC Chapter 26. Requests for federal consistency review were deemed administratively complete for the following project(s) during the period of November 2, 2026 to November 6, 2026. As required by federal law, the public is given an opportunity to comment on the consistency of proposed activities in the coastal zone undertaken or authorized by federal agencies. Pursuant to 31 TAC §§30.20(f), 30.30(h), and 30.40(e), the public comment period extends 30 days from the date published on the Texas General Land Office web site. The notice was published on the web site on Friday, November 13, 2026. The public comment period for this project will close at 5:00 p.m. on Sunday, December 13, 2026.

Federal License and Permit Activities:

Applicant: Aransas County

Location: The project site is located at the confluence of Cedar Bayou and the Gulf of America in Aransas and Calhoun Counties, Texas.

Latitude and Longitude: 28.0653658, -96.8507257

Project Description: The applicant proposes to modify the existing permit to include a new upland dredge management placement area (DMPA). In addition, the applicant requests a 10-year maintenance dredging permit. Dredging would be conducted using mechanical methods (clamshell, excavator bucket) or with small-scale, excavator mounted dredge pump/cutterhead attachments. The dredging footprint would be within the existing permitted area and dredging events are expected to produce less than 100,000 cubic yards (CY) of dredge material. The project is estimated to require less than 10 maintenance dredging events over a 10-year period. The precise locations of dredging events would be dependent on locations of sediment accumulation within the permitted dredge footprint. Sediments removed during dredging events would be placed within a new 25-acre upland DMPA to be constructed on Matagorda Island adjacent to Cedar Bayou. The proposed 25-acre upland DMPA would be fully contained within an approximate 1,435-foot-long by 775-foot-wide area and would include a perimeter containment berm measuring up to 11 feet high with side slopes between 3 and 4 feet horizontal to 1 foot vertical. If hydraulic methods are used during dredging, effluent return water would be transported out of the DMPA via a weir structure and into an existing drainage swale that flows into Cedar Bayou. Sediments removed during dredging events would be transported to the new DMPA via truck during mechanical dredging events or pipeline during hydraulic dredging events via an approximate 1.5 acre, 3,200-foot-long by 20-foot-wide temporary timber mat access route. Approximately 0.31 acres of palustrine emergent wetlands would be temporarily impacted by the construction access route. Access to the dredging project area would be via existing roadways on Matagorda Island and previously approved access routes atop crane mats or similar. No waterborne equipment or marine access through Cedar Bayou is proposed during dredging events.

The applicant has stated that they have avoided and minimized environmental impacts to waters of the United States associated with the proposed activity by avoiding permanent impacts to special aquatic sites entirely, and effects of the temporary timber mat access route have been limited to approximately 0.31 acre of palustrine wetland. The applicant commits to restoring temporary impacts to wetland associated with the timber mat access route following each dredge event.

Type of Application: U.S. Army Corps of Engineers permit application #SWG-2007-00813. This application will be reviewed pursuant Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899. Note: The consistency review for this project may be conducted by The Texas Commission on Environmental Quality as part of its certification under §401 of the Clean Water Act.

CMP Project No: 27-1038-F1

Further information on the applications listed above, including a copy of the consistency certifications or consistency determinations for inspection, may be obtained from the Texas General Land Office Public Information Officer at 1700 N. Congress Avenue, Austin, Texas 78701, or via email at pialegal@glo.texas.gov. Comments should be sent to the Texas General Land Office Coastal Management Program Coordinator at the above address or via email at federal.consistency@glo.texas.gov.

TRD-202604780
Jennifer Jones
Chief Clerk and Deputy Land Commissioner
General Land Office
Filed: November 10, 2026

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Texas Health and Human Services Commission

Public Notice - Methodology for Determining Caseload Reduction Credit for the Temporary Assistance for Needy Families (TANF) Program for Federal Fiscal Year 2027

The Texas Health and Human Services Commission (HHSC) announces its intent to seek comments from the public on its estimate and methodology for determining the Temporary Assistance for Needy Families (TANF) Program caseload reduction credit for Federal Fiscal Year (FFY) 2027. HHSC will base the methodology on caseload reduction occurring from FFY 2015 to FFY 2026. This methodology and the resulting estimated caseload reduction credit will be submitted for approval to the United States Department of Health and Human Services, Administration for Children and Families.

Section 407(b)(3) of the Social Security Act provides for a TANF caseload reduction credit, which gives a state credit for reducing its TANF caseload between a base year and a comparison year. To receive the credit, a state must complete and submit a report that, among other things, describes the methodology and the supporting data that the state used to calculate its caseload reduction estimates. See 45 C.F.R. §261.41(b)(5). Prior to submitting the report, the state must provide the public with an opportunity to comment on the estimate and methodology. See 45 C.F.R. §261.41(b)(6).

As the state agency that administers the TANF program in Texas, HHSC believes it is eligible for a caseload reduction credit and has developed the requisite estimate and methodology. HHSC hereby notifies the public of the opportunity to submit comments.

HHSC will post the methodology and the estimated caseload reduction credit on the HHSC website for FFY 2027 at https://www.hhs.texas.gov/about/records-statistics/data-statistics/temporary-assistance-needy-families-tanf-statistics by November 27, 2026. The public comment period begins November 27, 2026 and ends December 11, 2026.

Written Comments. Written comments may be sent by U.S. mail, fax, or email.

U.S. Mail

Texas Health and Human Services Commission

Attention: Olivia Cosby

701 W. 51st Street

MC 2106

Austin, Texas 78751

Phone number for package delivery: (512) 915-0519

Fax

Attention: Access and Eligibility Services - Program Policy, Olivia Cosby

Fax Number: (512) 438-2355

Email

Olivia.Cosby@hhs.texas.gov

TRD-202604844
Nycia Deal
Chief Counsel
Texas Health and Human Services Commission
Filed: November 13, 2026

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Public Notice: Texas State Plan for Medical Assistance Amendment

The Texas Health and Human Services Commission (HHSC) announces its intent to submit amendments to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act. The proposed amendment is effective December 1, 2026.

The purpose of the amendment is to update the payment rate and rate methodology for the Pediatric Care Facility Special Reimbursement Class of Nursing Facilities. HHSC evaluated the Pediatric Nursing Facilities rate methodology and payment rate as part of the biennial fee review. HHSC proposes to clarify the rate methodology to reference the non-case mix component of the rate. HHSC is also removing the reference to the Direct Care Staff Enhancement program that was discontinued on September 1, 2025.

The proposed amendment is estimated to result in an annual aggregate fee-for-service expenditure of $1,559,170 for federal fiscal year 2027, consisting of $912,738 in federal funds and $646,432 in state general revenue. For federal fiscal year 2028, the estimated annual aggregate fee-for-service expenditure is $1,871,004, consisting of $1,101,273 in federal funds and $769,731 in state general revenue. For federal fiscal year 2029, the estimated annual aggregate fee-for-service expenditure is $1,871,004, consisting of $1,101,273 in federal funds and $769,731 in state general revenue.

Further detail on specific reimbursement rate changes is available on the HHSC Provider Finance Department (PFD) website under the proposed effective date at http://pfd.hhs.texas.gov/rate-packets.

A rate hearing will be held on December 11, 2026, at 9:00 a.m. CST in Austin, Texas. Information about the proposed rate change and the hearing can be found in the November 20, 2026 issue of the *Texas Register*. Archived recordings of the hearing can be found at https://www.hhs.texas.gov/about/meetings-events.

Copy of Proposed Amendment(s). To obtain copies of the proposed amendment, interested parties may contact Jayasree Sankaran, State Plan Coordinator, by mail at the Health and Human Services Commission, P.O. Box 13247, Mail Code H-600, Austin, Texas 78711; by telephone at (512) 438-4331; by facsimile at (512) 323-1905; or by email at Medicaid_Chip_SPA_Inquiries@hhsc.state.tx.us. Once submitted to the Centers for Medicare and Medicaid Services for approval, copies of the proposed amendment will be available for review at the HHSC Access and Eligibility Services for local benefit offices.

Written Comments. Written comments and requests to review comments may be sent by U.S. mail, overnight mail, special delivery mail, hand delivery, fax, or email:

U.S. Mail

Texas Health and Human Services Commission

Attention: Provider Finance, Mail Code H-400

P.O. Box 149030

Austin, Texas 78714-9030

Overnight mail, special delivery mail, or hand delivery

Texas Health and Human Services Commission

Attention: Provider Finance, Mail Code H-400

North Austin Complex

4601 West Guadalupe Street

Austin, Texas 78751

Phone number for package delivery: (512) 730-7401

Fax Attention: Provider Finance at (512) 730-7475

Email

PFD-LTSS@hhs.texas.gov

Preferred Communication.

For the quickest response, please use email or phone, if possible, for communication with HHSC related to this state plan amendment.

TRD-202604863
Nycia Deal
Chief Counsel
Texas Health and Human Services Commission
Filed: November 16, 2026

♦ ♦ ♦

Youth Empowerment Services (YES) Waiver Application Public Notice

The Texas Health and Human Services Commission (HHSC) is submitting a request to the Centers for Medicare & Medicaid Services (CMS) to amend the Youth Empowerment Services (YES) waiver application. HHSC administers the YES Program under the authority of §1915(c) of the Social Security Act. CMS has approved the YES waiver application through March 31, 2028. The proposed effective date for the amendment is April 19, 2027.

The amendment request proposes to update the YES waiver application to align with CMS revised 1915(c) Home and Community-Based Services (HCBS) Waiver Application and Technical Guide released by CMS in December 2024. Additional changes will be made to update Texas Administrative Code (TAC) references and clarify language throughout to align with existing TAC. The amendment will update Appendix B, C, and D.

The updates are as follows:

Appendix B: Participant Access and Eligibility

HHSC revised language to clarify existing policy related to discharge planning and transitions for individuals including transitioning to adult services. (B-1 c)

HHSC selected the Medicaid eligibility groups: Parents and Other Caretaker Relatives, Pregnant Women, and Infants and Children under Age 19 and removed these groups from the "other specified groups section." Eligibility groups who access the YES waiver program did not change.

HHSC clarified that the participant must have serious emotional disturbance as the principal admitting diagnosis. (B-6 d: eligibility criteria E)

Appendix C: Participant Services

HHSC indicated services that are allowed via remote/telehealth delivery and updated the corresponding service definitions to include the following: remote monitoring activities, privacy rights and safeguards, back-up plans, equipment and placement, and participant control and access.

Services impacted by the remote/telehealth delivery language are Community Living Supports (CLS), Employment Assistance, Family Supports, Paraprofessional services, and Specialized Therapies (Art therapy, nutritional counseling, music therapy, and recreational therapy).

HHSC made the following changes to align with current policy:

Added clarifying language to service limits and provider qualifications that respite can't be provided at the same time as CLS. Specified the CLS service may be provided in home or clinically appropriate community settings excluding a service providers residence and clarified that CLS in some cases can be offered in a group setting with peers to promote socialization skills.

Clarified in the CLS service and specialized therapies service description that art therapy, music therapy, and recreational therapy service delivery option excludes telephone-only or audio-only delivery.

To align with the new 3.7 waiver application CMS changes HHSC made the following changes:

Added the case managers regulatory requirements for both person-centered planning and HCBS settings to describe the Wraparound trainings required of case managers. (C-1 c)

Populated the new Remote/Telehealth Delivery of Waiver Services section. These changes describe in-person requirements, how individual privacy is respected, community integration policies, what is expected for successful delivery of services for persons who need hands on assistance/physical assistance, technology support, and what is expected for ensuring individual health and safety. (C-1 d)

Removed language about the legally authorized representative signing a form related to the provision of services. (C-2 e)

Checked the new checkbox to indicate that HCBS services may not be provided while an individual is an acute care hospital. (C-2 g)

Provided information in the new Home and Community-Based Settings section, to provide a description of the settings in which the YES services are received; description of the means by which HHSC ascertains that all waiver settings meet federal HCBS setting requirements; and that the waiver does not include provider-owned or controlled settings. (C-5)

Appendix D: Participant-Centered Planning and Service Delivery

To align with the new 3.7 waiver application CMS changes, HHSC made the following changes:

Added the case manager regulatory requirements for both person-centered planning and HCBS settings to describe the wraparound training required of case managers. (D-1 a)

Added additional clarification about how a provider is determined to be the only willing and qualified entity based on HHSC approval process. (D-1 b)

Added language about how services can be provided to address a safety concern that requires immediate intervention prior to the service plan being updated. HHSC also added language about the process to hold a wraparound team meeting to update the service plan within 30 days. (D-1 d i)

Checked the boxes that assure compliance with the service plan HCBS settings requirements and to confirm that HHSC has established safeguards to mitigate the potential for conflict of interest in monitoring of service plan implementation, and participant health and welfare.

Updated the frequency of provider monitoring reviews from annual to biennial. (D-1 g)

General

Throughout the amendment, HHSC updated references about provider oversight from DFPS to HHSC as applicable and made non-substantive grammatical changes.

YES Overview

The YES waiver program is designed to provide home and community-based services to children and youth with serious emotional disturbances and their families, with a goal of reducing or preventing children's inpatient psychiatric treatment and the consequent removal from their families. The program currently serves eligible children who are at least three years of age and under 19 years of age.

Services in the YES waiver program are adaptive aids and supports, community living supports, respite (in-home and out of home), supported employment, non-medical transportation, family supports, employment assistance, supportive family-based alternatives, minor home modifications, paraprofessional services, specialized therapies, and transitional services.

To obtain a free copy of the proposed waiver amendment, ask questions, or obtain additional information about the amendment, please contact Basundhara Raychaudhuri by U.S. mail, telephone, or email at the addresses and numbers below. A copy of the proposed waiver amendment request may also be obtained online on the HHSC website at:

https://www.hhs.texas.gov/regulations/policies-rules/waivers

Comments about the proposed waiver amendment must be submitted to HHSC by December 28, 2026.

The HHSC Access and Eligibility Services local benefit offices will post this notice for 30 days and will have copies of the proposed changes available for review.

Address:

U.S. Mail

Texas Health and Human Services Commission

Attention: Basundhara Raychaudhuri, Waiver Coordinator, Federal Coordination, Rules and Committees

701 West 51st Street, Mail Code H-310

Austin, Texas 78751

Telephone

(512) 438-4403

Email

TX_Medicaid_Waivers@hhs.texas.gov

TRD-202604875
Nycia Deal
General Counsel
Texas Health and Human Services Commission
Filed: November 17, 2026

♦ ♦ ♦

Texas Department of Insurance

Company Licensing

Application for incorporation in the state of Texas for Rightway Insurance Company, a domestic life, accident, and/or health company. The home office is in Irving, Texas.

Application for incorporation in the state of Texas for SeaHarbor Insurance Company, a domestic fire and/or casualty company. The home office is in Dallas, Texas.

Application to do business in the state of Texas for Foundry Life Insurance Company, a foreign life, accident, and/or health company. The home office is in Phoenix, Arizona.

Application to do business in the state of Texas for Manhattan Security Life Insurance Company, a foreign life, accident, and/or health company. The home office is in Great Neck, New York.

Application for Park Avenue Life Insurance Company, a foreign life, accident, and/or health company, to change its name to Guardian Life Insurance & Annuity Company of America. The home office is in Wilmington, Delaware.

Any objections must be filed with the Texas Department of Insurance, within twenty (20) calendar days from the date of the *Texas Register* publication, addressed to the attention of Andrew Guerrero, 1601 Congress Ave., Suite 6.900, Austin, Texas 78701.

TRD-202604986
Justin Beam
Chief Clerk
Texas Department of Insurance
Filed: November 18, 2026

♦ ♦ ♦

Texas Department of Licensing and Regulation

Correction of Error

The Texas Department of Licensing and Regulation published the game procedures for Scratch Ticket Game Number 2791 "$500 PAYOUT" in the November 13, 2026, issue of the *Texas Register* (51 TexReg 7841). Due to an error by the Texas Register, the figures included in the game procedures were published incorrectly in the print version and the online .pdf version of the November 13, 2026, issue. The complete game procedures including the correct figures should have been published as follows:

Scratch Ticket Game Number 2791 "$500 PAYOUT"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2791 is "$500 PAYOUT". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2791 shall be $5.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2791.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, MONEY BAG SYMBOL, $5.00, $10.00, $15.00, $20.00, $25.00, $50.00, $100 and $500.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2791 - 1.2D

PLAY SYMBOL	CAPTION
01	ONE
02	TWO
03	THR
04	FOR
05	FIV
06	SIX
07	SVN
08	EGT
09	NIN
10	TEN
11	ELV
12	TLV
13	TRN
14	FTN
15	FFN
16	SXN
17	SVT
18	ETN
19	NTN
20	TWY
21	TWON
22	TWTO
23	TWTH
24	TWFR

25	TWFV
26	TWSX
27	TWSV
28	TWET
29	TWNI
30	TRTY
31	TRON
32	TRTO
33	TRTH
34	TRFR
35	TRFV
36	TRSX
37	TRSV
38	TRET
39	TRNI
40	FRTY
MONEY BAG SYMBOL	WINX5
$5.00	FIV$
$10.00	TEN$
$15.00	FFN$
$20.00	TWY$
$25.00	TWFV$
$50.00	FFTY$
$100	ONHN
$500	FVHN

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2791), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 075 within each Pack. The format will be: 2791-0000001-001.

H. Pack - A Pack of the "$500 PAYOUT" Scratch Ticket Game contains 075 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). Ticket 001 will be shown on the front of the Pack; the back of Ticket 075 will be revealed on the back of the Pack. All packs will be tightly shrink-wrapped. There will be no breaks between the Tickets in a Pack. Every other Pack will reverse; i.e., reverse order will be: the back of Ticket 001 will be shown on the front of the Pack and the front of Ticket 075 will be shown on the back of the Pack.

I. Non-Winning Scratch Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - Texas Lottery "$500 PAYOUT" Scratch Ticket Game No. 2791.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "$500 PAYOUT" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose forty-nine (49) Play Symbols. BONUS: If the player reveals 2 matching prize amounts in the same BONUS, the player wins that amount. $500 PAYOUT: If the player matches any of the YOUR NUMBERS Play Symbols to any of the WINNING NUMBERS Play Symbols, the player wins the prize for that number. If the player reveals a "MONEY BAG" Play Symbol, the player wins 5 TIMES the prize for that symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly forty-nine (49) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;

2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;

3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in black ink except for dual image games;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly forty-nine (49) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the forty-nine (49) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the forty-nine (49) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

B. GENERAL: A Ticket can win as indicated by the prize structure.

C. GENERAL: A Ticket can win up to twenty-two (22) times.

D. GENERAL: The "MONEY BAG" (WINX5) Play Symbol will never appear in either of the two (2) BONUS play areas.

E. BONUS: A Ticket can win up to one (1) time in each of the two (2) BONUS play areas.

F. BONUS: A Ticket will not have matching, non-winning Prize Symbols across the two (2) BONUS play areas.

G. BONUS: Non-winning Prize Symbols in a BONUS play area will not be the same as winning Prize Symbols from the other BONUS play area.

H. BONUS: A non-winning BONUS play area will have two (2) different Prize Symbols.

I. $500 PAYOUT: A Ticket can win up to twenty (20) times in the main play area.

J. $500 PAYOUT: On winning and Non-Winning Tickets, the top cash prizes of $100 and $500 will each appear at least one (1) time, except on Tickets winning twenty (20) times in the main play area and with respect to other parameters.

K. $500 PAYOUT: All non-winning YOUR NUMBERS Play Symbols will be different.

L. $500 PAYOUT: Non-winning Prize Symbols will not match a winning Prize Symbol on a Ticket.

M. $500 PAYOUT: All WINNING NUMBERS Play Symbols will be different.

N. $500 PAYOUT: Tickets winning more than one (1) time will use as many WINNING NUMBERS Play Symbols as possible to create matches, unless restricted by other parameters, play action or prize structure.

O. $500 PAYOUT: On all Tickets, a Prize Symbol will not appear more than four (4) times, except as required by the prize structure to create multiple wins.

P. $500 PAYOUT: On Non-Winning Tickets, a WINNING NUMBERS Play Symbol will never match a YOUR NUMBERS Play Symbol.

Q. $500 PAYOUT: All YOUR NUMBERS Play Symbols will never equal the corresponding Prize Symbol (i.e., 05 and $5, 10 and $10, 15 and $15, 20 and $20 and 25 and $25).

R. $500 PAYOUT: The "MONEY BAG" (WINX5) Play Symbol will never appear as a WINNING NUMBERS Play Symbol.

S. $500 PAYOUT: The "MONEY BAG" (WINX5) Play Symbol will never appear on a Non-Winning Ticket.

T. $500 PAYOUT: The "MONEY BAG" (WINX5) Play Symbol will win 5 TIMES the prize for that Play Symbol and will win as per the prize structure.

U. $500 PAYOUT: The "MONEY BAG" (WINX5) Play Symbol will never appear more than one (1) time on a Ticket.

2.3 Procedure for Claiming Prizes.

A. To claim a "$500 PAYOUT" Scratch Ticket Game prize of $5.00, $10.00, $15.00, $20.00, $25.00, $50.00, $100 or $500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a $25.00, $50.00, $100 or $500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. As an alternative method of claiming a "$500 PAYOUT" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is $1,000,000 or more, the claimant must also provide proof of Social Security number or Taxpayer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

D. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under $600 from the "$500 PAYOUT" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of $600 or more from the "$500 PAYOUT" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Prizes. There will be approximately 5,040,000 Scratch Tickets in Scratch Ticket Game No. 2791. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2791 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$5.00	497,280	10.14
$10.00	443,520	11.36
$15.00	161,280	31.25
$20.00	107,520	46.88
$25.00	23,100	218.18
$50.00	35,700	141.18
$100	6,650	757.89
$500	5,250	960.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.

**The overall odds of winning a prize are 1 in 3.94. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2791 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302 (j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2791, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202604980

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Scratch Ticket Game Number 2752 "TEXAS VETERANS COMMISSION 100th ANNIVERSARY"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2752 is "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2752 shall be $2.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2752.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in multi-color ink. The possible Play Symbols are: 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, FLAG SYMBOL, $2, $4, $5, $10, $20, $30, $50, $100, $500 and $30,000.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. This particular Scratch Ticket Game does not have Play Symbol Captions (or Prize Symbol captions). The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2752 - 1.2D

PLAY SYMBOL	CAPTION
01	
02	
03	
04	
05	
06	
07	
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09	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	

28	
29	
30	
FLAG SYMBOL	
$2	
$4	
$5	
$10	
$20	
$30	
$50	
$100	
$500	
$30,000	

**The overall odds of winning a prize are 1 in 4.07. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2752), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 125 within each Pack. The format will be: 2752-0000001-001.

H. Pack - A Pack of the "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game contains 125 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of two (2). One Ticket will be folded over to expose a front and back of one Ticket on each Pack. Please note the Packs will be in an A, B, C and D configuration.

I. Non-Winning Scratch Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - Texas Lottery "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game No. 2752.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose twenty-two (22) Play Symbols. PLAY INSTRUCTIONS: If a player matches any of the YOUR NUMBERS Play Symbols to either of the WINNING NUMBERS Play Symbols, the player wins the prize for that number. If the player reveals a "FLAG" Play Symbol, the player wins DOUBLE the prize for that symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly twenty-two (22) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;

2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play

Symbol Caption. This particular Scratch Ticket Game does not have Play Symbol Captions (or Prize Symbol captions);

3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in multi-color ink;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly twenty-two (22) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the twenty-two (22) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the twenty-two (22) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. A Ticket can win up to ten (10) times in accordance with the prize structure.

B. Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

D. Each Ticket will have two (2) different WINNING NUMBERS Play Symbols.

E. Non-winning YOUR NUMBERS Play Symbols will all be different.

F. Non-winning identical Prize Symbols will never appear more than two (2) times.

G. The "FLAG" (DBL) Play Symbol will never appear in the WINNING NUMBERS Play Symbol spots.

H. The "FLAG" (DBL) Play Symbol will only appear on winning Tickets as dictated by the prize structure.

I. Non-winning Prize Symbol(s) will never be the same as the winning Prize Symbol(s).

J. No prize amount in a non-winning spot will correspond with the YOUR NUMBERS Play Symbol (i.e., 04 and $4).

2.3 Procedure for Claiming Prizes.

A. To claim a "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game prize of $2.00, $4.00, $5.00, $10.00, $20.00, $30.00, $50.00, $100 or $500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a $30.00, $50.00, $100 or $500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied, and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game prize of $30,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of $600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas

Lottery, the claim shall be denied, and the claimant shall be notified promptly.

C. As an alternative method of claiming a "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is $1,000,000 or more, the claimant must also provide proof of Social Security number or Taxpayer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied, and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under $600 from the "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of $600 or more from the "TEXAS VETERANS COMMISSION 100TH ANNIVERSARY" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Prizes. There will be approximately 4,080,000 Scratch Tickets in Scratch Ticket Game No. 2752. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2752 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$2.00	416,160	9.80
$4.00	236,640	17.24
$5.00	228,480	17.86
$10.00	73,440	55.56
$20.00	32,640	125.00
$30.00	7,616	535.71
$50.00	5,100	800.00
$100	2,040	2,000.00
$500	136	30,000.00
$30,000	8	510,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.

**The overall odds of winning a prize are 1 in 4.07. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2752 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302 (j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2752, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202604982
Deanne Rienstra
General Counsel
Texas Department of Licensing and Regulation
Filed: November 18, 2026

♦ ♦ ♦

Scratch Ticket Game Number 2799 "GEM 7s"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2799 is "GEM 7s". The play style is "multiple games".

1.1 Price of Scratch Ticket Game.

A. The price for Scratch Ticket Game No. 2799 shall be $5.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2799.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible multi-color Play Symbols are: 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 38, 39, 40, 7 SYMBOL, 77 SYMBOL, 777 SYMBOL $5.00, $10.00, $15.00, $25.00, $50.00, $100, $500, $1,000 and $100,000. The possible red Play Symbols are: BOWTIE SYMBOL, CHERRIES SYMBOL, POKER CHIP SYMBOL, HEART SYMBOL, RUBY SYMBOL, STRAWBERRY SYMBOL and MELON SYMBOL. The possible blue Play Symbols

are: BAR SYMBOL, BLUEBERRIES SYMBOL, CLUB SYMBOL, WATER DROP SYMBOL, DICE SYMBOL, TOP HAT SYMBOL and MIRROR SYMBOL. The possible green Play Symbols are: LIME SYMBOL, APPLE SYMBOL, SHAMROCK SYMBOL, SPADE SYMBOL STACK OF CASH SYMBOL, TENNIS SHOE SYMBOL and MONEY BAG SYMBOL. The possible purple Play Symbols are: STAR SYMBOL, SAPPHIRE SYMBOL, GRAPES SYMBOL, PLUM SYMBOL, CHEST SYMBOL, PURSE SYMBOL and VIOLET SYMBOL. The possible gold Play Symbols are: BELL SYMBOL, CROWN SYMBOL, HORSESHOE SYMBOL, CARDS SYMBOL, TROPHY SYMBOL, BARS OF GOLD SYMBOL and MOON SYMBOL.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. This particular Scratch Ticket Game does not have Play Symbols Captions (or Prize Symbol captions.) The Play Symbols are as follows:

Figure 1: GAME NO. 2799 - 1.2D

PLAY SYMBOL	CAPTION
1 (MULTI-COLOR)	
2 (MULTI-COLOR)	
3 (MULTI-COLOR)	
4 (MULTI-COLOR)	
5 (MULTI-COLOR)	
6 (MULTI-COLOR)	
8 (MULTI-COLOR)	
9 (MULTI-COLOR)	
10 (MULTI-COLOR)	
11 (MULTI-COLOR)	
12 (MULTI-COLOR)	
13 (MULTI-COLOR)	
14 (MULTI-COLOR)	
15 (MULTI-COLOR)	
16 (MULTI-COLOR)	
18 (MULTI-COLOR)	
19 (MULTI-COLOR)	
20 (MULTI-COLOR)	
21 (MULTI-COLOR)	
22 (MULTI-COLOR)	
23 (MULTI-COLOR)	
24 (MULTI-COLOR)	
25 (MULTI-COLOR)	
26 (MULTI-COLOR)	
28 (MULTI-COLOR)	
29 (MULTI-COLOR)	
30 (MULTI-COLOR)	

31 (MULTI-COLOR)	
32 (MULTI-COLOR)	
33 (MULTI-COLOR)	
34 (MULTI-COLOR)	
35 (MULTI-COLOR)	
36 (MULTI-COLOR)	
38 (MULTI-COLOR)	
39 (MULTI-COLOR)	
40 (MULTI-COLOR)	
7 SYMBOL (MULTI-COLOR)	
77 SYMBOL (MULTI-COLOR)	
777 SYMBOL (MULTI-COLOR)	
$5.00 (MULTI-COLOR)	
$10.00 (MULTI-COLOR)	
$15.00 (MULTI-COLOR)	
$25.00 (MULTI-COLOR)	
$50.00 (MULTI-COLOR)	
$100 (MULTI-COLOR)	
$500 (MULTI-COLOR)	
$1,000 (MULTI-COLOR)	
$100,000 (MULTI-COLOR)	
BOWTIE SYMBOL (RED)	
CHERRIES SYMBOL (RED)	
POKER CHIP SYMBOL (RED)	
HEART SYMBOL (RED)	
RUBY SYMBOL (RED)	
STRAWBERRY SYMBOL (RED)	
MELON SYMBOL (RED)	
BAR SYMBOL (BLUE)	

BLUEBERRIES SYMBOL (BLUE)	
CLUB SYMBOL (BLUE)	
WATER DROP SYMBOL (BLUE)	
DICE SYMBOL (BLUE)	
TOP HAT SYMBOL (BLUE)	
MIRROR SYMBOL (BLUE)	
LIME SYMBOL (GREEN)	
APPLE SYMBOL (GREEN)	
SHAMROCK SYMBOL (GREEN)	
SPADE SYMBOL (GREEN)	
STACK OF CASH SYMBOL (GREEN)	
TENNIS SHOE SYMBOL (GREEN)	
MONEY BAG SYMBOL (GREEN)	
STAR SYMBOL (PURPLE)	
SAPPHIRE SYMBOL (PURPLE)	
GRAPES SYMBOL (PURPLE)	
PLUM SYMBOL (PURPLE)	
CHEST SYMBOL (PURPLE)	
PURSE SYMBOL (PURPLE)	
VIOLET SYMBOL (PURPLE)	
BELL SYMBOL (GOLD)	
CROWN SYMBOL (GOLD)	
HORSESHOE SYMBOL (GOLD)	
CARDS SYMBOL (GOLD)	
TROPHY SYMBOL (GOLD)	
BARS OF GOLD SYMBOL (GOLD)	
MOON SYMBOL (GOLD)	

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2799), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 075 within each Pack. The format will be: 2799-0000001-001.

H. Pack - A Pack of the "GEM 7s" Scratch Ticket Game contains 075 Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). The Packs will alternate. One will show the front of Ticket 001 and back of 075 while the other fold will show the back of Ticket 001 and front of 075.

I. Non-Winning Scratch Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - Texas Lottery "GEM 7s" Scratch Ticket Game No. 2799.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "GEM 7s" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose fifty-two (52) Play Symbols. PLAY INSTRUCTIONS: GAME 1: If the player reveals a "7" Play Symbol, the player wins the PRIZE for that symbol. If the player reveals a "77" Play Symbol, the player wins 5 TIMES the PRIZE for that symbol. If the player reveals a "777" Play Symbol, the player wins 10 TIMES the PRIZE for that symbol. GAME 2: If the player reveals 3 matching Play Symbols in the same SPIN, the player wins the prize for that SPIN. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly fifty-two (52) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;

2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption. This particular Scratch Ticket Game does not have Play Symbol Captions (or Prize Symbol captions);

3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in black ink except for dual image games;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly fifty-two (52) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the fifty-two (52) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the fifty-two (52) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: A Ticket can win up to twenty-two (22) times in accordance with the prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. GENERAL: The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

D. GAME 1: The "7", "77" and the "777" Play Symbols may appear multiple times on winning Tickets, unless restricted by other parameters, play action or prize structure.

E. GAME 1: Non-winning Play Symbols will be different.

F. GAME 1: The "7", "77" and the "777" Play Symbols will only appear on winning Tickets as dictated by the prize structure.

G. GAME 1: Identical non-winning Prize Symbols will never appear more than four (4) times.

H. GAME 1: Non-winning Prize Symbols will never be the same as the winning Prize Symbol(s).

I. GAME 1: No prize amount in a non-winning spot will match its corresponding GAME 1 Play Symbol (i.e., 25 and $25).

J. GAME 2: There will be no identical non-winning SPINs on a Ticket. SPINS are considered identical if they have the same Play Symbols appear in the same positions.

K. GAME 2: No three (3) or more identical Play Symbols will appear in adjacent positions diagonally or in a column.

L. GAME 2: All SPINS can use Play Symbols of any color group.

M. GAME 2: Each SPIN will always use Play Symbols of the same color group (i.e. all Red Play Symbols).

N. GAME 2: No more than two (2) matching non-winning Play Symbols will appear in one (1) SPIN.

O. GAME 2: Non-winning Prize Symbols will never appear more than one (1) time.

P. GAME 2: Non-winning Prize Symbols will never be the same as the winning Prize Symbol(s).

2.3 Procedure for Claiming Prizes.

A. To claim a "GEM 7s" Scratch Ticket Game prize of $5.00, $10.00, $15.00, $25.00, $50.00, $100 or $500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a $25.00, $50.00, $100 or $500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied, and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "GEM 7s" Scratch Ticket Game prize of $1,000 or $100,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of $600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied, and the claimant shall be notified promptly.

C. As an alternative method of claiming a "GEM 7s" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is $1,000,000 or more, the claimant must also provide proof of Social Security number or Taxpayer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied, and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under $600 from the "GEM 7s" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of $600 or more from the "GEM 7s" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Prizes. There will be approximately 5,040,000 Scratch Tickets in Scratch Ticket Game No. 2799. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2799 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$5.00	537,600	9.38
$10.00	268,800	18.75
$15.00	201,600	25.00
$25.00	117,600	42.86
$50.00	67,200	75.00
$100	16,380	307.69
$500	672	7,500.00
$1,000	65	77,538.46
$100,000	4	1,260,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.

**The overall odds of winning a prize are 1 in 4.17. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2799 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302 (j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2799, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202604981
Deanne Rienstra
General Counsel
Texas Department of Licensing and Regulation
Filed: November 18, 2026

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Public Utility Commission of Texas

Notice of Application for Designation as an Eligible Telecommunications Provider

Notice is given to the public of an application filed with the Public Utility Commission of Texas (commission) on November 16, 2026, for designation as an eligible telecommunications provider (ETP) in the state of Texas under 47 U.S.C. § 214(e) and 16 Texas Administrative Code §26.417 and §26.418.

Docket Title and Number: Application of Verizon Value Inc. fka TracFone for Designation as an Eligible Telecommunications Provider, Docket Number 60506.

The Application: Verizon Value Inc. fka TracFone seeks eligible telecommunications provider designations in Texas.

Persons who wish to comment on this application should notify the Public Utility Commission by December 7, 2026. Requests for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or you may call the PUCT Consumer Protection Division at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals may contact the commission through Relay Texas at (800) 735-2989. All comments should reference Docket Number 60506.

TRD-202604972
Andrea Gonzalez
Rules Coordinator
Public Utility Commission of Texas
Filed: November 18, 2026

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The University of Texas System

TEFRA Hearing Notice UTSW Bonds Austin

NOTICE IS HEREBY GIVEN that a designated hearing officer of The University of Texas System (the "System") will hold a public hearing on December 9, 2026, at 8:00 a.m., at the following location:

The University of Texas System

Conference Room 1.104, 1st Floor

210 West 7th Street

Austin, Texas 78701

The hearing will concern the issuance by the Board of Regents of The University of Texas System (the "Board") of one or more series of bonds, pursuant to a plan of finance, (collectively, the "Bonds") in an aggregate amount of not more than $975,000,000 to be comprised of (i) not more than $200,000,000 to finance The University of Texas Southwestern Medical Center's share of the costs of acquisition, construction, improvement and equipment of a new pediatric health care campus expected to be comprised of approximately 4.2 million square feet, including an estimated 552 operational beds upon opening, outpatient clinics, a faculty and administrative office building, a thermal energy plant, a bridge to Clements University Hospital and related parking (collectively, the "Project") to be jointly owned and operated with Children's Health System of Texas, a charitable, not-for-profit organization and (ii) not more than $775,000,000 to refund outstanding commercial paper notes previously issued by the Board to finance the Project.

The Project is located at the southeast quadrant of Harry Hines Boulevard and Mockingbird Lane, Dallas, Dallas County, Texas 75235, and will include portions of multiple street addresses, including 6300 Harry Hines Boulevard, 6400 Harry Hines Boulevard, 2122 W Mockingbird Lane, 6222 Forest Park Road, 6303 Forest Park Road, 6500 Forest Park Road, and 6401 Maple Avenue.

The Project's approximate boundaries are as follows: Mockingbird Lane to the north, Forest Park Road to the east*, Paul Bass Way to the south, and Harry Hines Boulevard to the west. (*The eastern area of the Project includes portions of the northeast quadrant of Forest Park Road and Bomar Avenue, and these street addresses are included above.)

The Bonds will be payable from and secured by the Board's pledged revenues under the terms of its revenue financing system resolutions. The Board has no taxing power, and neither the full faith and credit nor the taxing power of the State of Texas or any agency or political subdivision thereof will be pledged as security for the Bonds. The owners of the Bonds will never have the right to demand payment from any source other than the Board's pledged revenues.

All interested persons are invited to attend such public hearing to express their views with respect to the Project and the proposed issuance of the Bonds. Questions or requests for additional information may be directed to Allen Hah, Associate Vice Chancellor for Finance, 210 W. 7th Street, Austin, Texas 78701 or emailed to ahah@utsystem.edu.

Persons who plan to attend are encouraged, in advance of the public hearing, to inform the System either in writing or by telephone at (512) 579-5081. Any interested persons unable to attend the hearing may submit their views in writing to the System prior to the date scheduled for the hearing.

This notice is published and the above-described hearing is to be held in satisfaction of the requirements of section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public hearing prerequisite to the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

TRD-202604959
Allen Hah
Associate Vice Chancellor for Finance
The University of Texas System
Filed: November 17, 2026

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TEFRA Public Hearing Notice UTSW Bonds Dallas

NOTICE IS HEREBY GIVEN that a designated hearing officer of The University of Texas System (the "System") will hold a public hearing on December 9, 2026, at 8:00 a.m., at the following location:

UT Southwestern Medical Center

5323 Harry Hines Boulevard

McDermott Administration Building

B9.302 Conference Room - 9th Floor

Dallas, Texas 75390

The hearing will concern the issuance by the Board of Regents of The University of Texas System (the "Board") of one or more series of bonds, pursuant to a plan of finance, (collectively, the "Bonds") in an aggregate amount of not more than $975,000,000 to be comprised of (i) not more than $200,000,000 to finance The University of Texas Southwestern Medical Center's share of the costs of acquisition, construction, improvement and equipment of a new pediatric health care campus expected to be comprised of approximately 4.2 million square feet, including an estimated 552 operational beds upon opening, outpatient clinics, a faculty and administrative office building, a thermal energy plant, a bridge to Clements University Hospital and related parking (collectively, the "Project") to be jointly owned and operated with Chil-

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This notice is published and the above-described hearing is to be held in satisfaction of the requirements of section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public hearing prerequisite to the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

TRD-202604960
Allen Hah
Associate Vice Chancellor for Finance
The University of Texas System
Filed: November 17, 2026

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How to Use the Texas Register

Information Available: The sections of the *Texas Register* represent various facets of state government. Documents contained within them include:

Governor - Appointments, executive orders, and proclamations.

Attorney General - summaries of requests for opinions, opinions, and open records decisions.

Texas Ethics Commission - summaries of requests for opinions and opinions.

Emergency Rules - sections adopted by state agencies on an emergency basis.

Proposed Rules - sections proposed for adoption.

Withdrawn Rules - sections withdrawn by state agencies from consideration for adoption, or automatically withdrawn by the Texas Register six months after the proposal publication date.

Adopted Rules - sections adopted following public comment period.

Texas Department of Insurance Exempt Filings - notices of actions taken by the Texas Department of Insurance pursuant to Chapter 5, Subchapter L of the Insurance Code.

Review of Agency Rules - notices of state agency rules review.

Tables and Graphics - graphic material from the proposed, emergency and adopted sections.

Transferred Rules - notice that the Legislature has transferred rules within the *Texas Administrative Code* from one state agency to another, or directed the Secretary of State to remove the rules of an abolished agency.

In Addition - miscellaneous information required to be published by statute or provided as a public service.

Specific explanation on the contents of each section can be found on the beginning page of the section. The division also publishes cumulative quarterly and annual indexes to aid in researching material published.

How to Cite: Material published in the *Texas Register* is referenced by citing the volume in which the document appears, the words "TexReg" and the beginning page number on which that document was published. For example, a document published on page 2402 of Volume 51 (2026) is cited as follows: 51 TexReg 2402.

In order that readers may cite material more easily, page numbers are now written as citations. Example: on page 2 in the lower-left hand corner of the page, would be written "51 TexReg 2 issue date," while on the opposite page, page 3, in the lower right-hand corner, would be written "issue date 51 TexReg 3."

How to Research: The public is invited to research rules and information of interest between 8 a.m. and 5 p.m. weekdays at the *Texas Register* office, James Earl Rudder Building, 1019 Brazos, Austin. Material can be found using *Texas Register* indexes, the *Texas Administrative Code* section numbers, or TRD number.

Both the *Texas Register* and the *Texas Administrative Code* are available online at: https://www.sos.texas.gov. The *Texas Register* is available in an .html version as well as a .pdf version through the internet. For website information, call the Texas Register at (512) 463-5561.

Texas Administrative Code

The *Texas Administrative Code (TAC*) is the compilation of all final state agency rules published in the *Texas Register*. Following its effective date, a rule is entered into the *Texas Administrative Code*. Emergency rules, which may be adopted by an agency on an interim basis, are not codified within the *TAC*.

The *TAC* volumes are arranged into Titles and Parts (using Arabic numerals). The Titles are broad subject categories into which the agencies are grouped as a matter of convenience. Each Part represents an individual state agency.

The complete *TAC* is available through the Secretary of State's website at http://www.sos.state.tx.us/tac.

The Titles of the *TAC*, and their respective Title numbers are:

1. Administration
4. Agriculture
7. Banking and Securities
10. Community Development
13. Cultural Resources
16. Economic Regulation
19. Education
22. Examining Boards
25. Health Services
28. Insurance
30. Environmental Quality
31. Natural Resources and Conservation
34. Public Finance
37. Public Safety and Corrections
40. Social Services and Assistance
43. Transportation

How to Cite: Under the *TAC* scheme, each section is designated by a *TAC* number. For example in the citation 1 TAC §91.1: 1 indicates the title under which the agency appears in the *Texas Administrative Code*; *TAC* stands for the *Texas Administrative Code*; §91.1 is the section number of the rule (91 indicates that the section is under Chapter 91 of Title 1; 1 represents the individual section within the chapter).

How to Update: To find out if a rule has changed since the publication of the current supplement to the *Texas Administrative Code*, please look at the *Index of Rules*.

The *Index of Rules* is published cumulatively in the blue-cover quarterly indexes to the *Texas Register*.

If a rule has changed during the time period covered by the table, the rule's *TAC* number will be printed with the *Texas Register* page number and a notation indicating the type of filing (emergency, proposed, withdrawn, or adopted) as shown in the following example.

TITLE 1. ADMINISTRATION
Part 4. Office of the Secretary of State
Chapter 91. Texas Register
1 TAC §91.1…….....950 *(P)*

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