

PROPOSED RULES

Proposed rules include new rules, amendments to existing rules, and repeals of existing rules. A state agency shall give at least 30 days' notice of its intention to adopt a rule before it adopts the rule. A state agency shall give all interested persons a reasonable opportunity to

submit data, views, or arguments, orally or in writing (Government Code, Chapter 2001).

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

TITLE 1. ADMINISTRATION

PART 12. COMMISSION ON STATE EMERGENCY COMMUNICATIONS

CHAPTER 251. 9-1-1 SERVICE STANDARDS

1 TAC §251.2

The Commission on State Emergency Communications (CSEC) proposes amendments to 1 TAC §251.2.

BACKGROUND AND PURPOSE

CSEC proposes an amendment to rule 251.2 (Title 1, Part 12, Chapter 251 of the Texas Administrative Code) relating to 9-1-1 service arrangements. The primary purpose of the amendment is to address the use of Next Generation 9-1-1 systems and technologies to temporarily route 911 calls to a different emergency service provider or public safety answering point (PSAP) based on the caller's location using geographic coordinates and other information obtained by geographic information system (GIS) technology.

SECTION-BY-SECTION EXPLANATION

Section 251.2(c) is amended to provide the procedure for a service provider to implement temporary geospatial routing at the request of a Texas 9-1-1 administrative entity.

FISCAL NOTE

Andrew Friedrichs, CSEC's executive director, has determined that for each year of the first five fiscal years (FY) that amended §251.2 is in effect there will be no additional cost, reduction in cost, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the amended section. Changes in 9-1-1 service arrangements are initiated by and at the direction of each 9-1-1 administrative entity. As amended, the rule does not affect the authority of a 9-1-1 administrative entity to initiate or control changes in its 9-1-1 service arrangements. Therefore, the amended rule has no impact on any costs associated with 9-1-1 service arrangements or changes thereto.

PUBLIC BENEFITS AND COSTS

Mr. Friedrichs has determined that for each year of the first five years the amended section is in effect, the public benefits anticipated as a result of the proposed revision will be to ensure that a service provider only implements temporary geospatial routing when requested by a Texas 9-1-1 administrative entity to change its 9-1-1 service arrangement and only for a defined period of time. This will avoid any disruptions or degradations in 9-1-1 service from changes to 9-1-1 service arrangements that are either not requested by the proper entity or are not reverted back

to the routing policy previously approved by the Texas 9-1-1 Administrative Entity in a timely manner.

RULE INCREASING COSTS TO REGULATED PERSONS

Government Code §2001.0045 precludes a state agency from adopting a proposed rule if the fiscal note imposes a cost on regulated persons, including another state agency, a special district, or a local government, unless on or before the effective date the state agency: (a) repeals a rule that imposes a total cost on regulated persons that is equal to or greater than the total cost imposed on regulated persons by the proposed rule; or (b) amends a rule to decrease the total cost imposed on regulated persons by an amount that is equal to or greater than the cost imposed on the persons by the rule. There are exceptions for certain types of rules under §2001.0045(c).

Section 2001.0045(b) is not applicable as no costs are imposed on regulated persons as a result of the amendment. Accordingly, no repeal or amendment of another rule to offset costs is required.

LOCAL EMPLOYMENT IMPACT STATEMENT

CSEC has determined that this proposal does not directly affect a local economy and therefore has not drafted a local employment impact statement as would otherwise be required under Administrative Procedures Act §2001.022.

GOVERNMENT GROWTH IMPACT STATEMENT

In compliance with the requirements of Texas Government Code §2001.0221, CSEC has determined that during the first five years that the amendment of this rule will be in effect it would:

- (1) not create or eliminate a government program;
- (2) not require the creation of new employee positions or the elimination of existing employee positions;
- (3) not require an increase or decrease in future legislative appropriations to CSEC;
- (4) not require an increase or decrease in fees paid to the agency;
- (5) not create a new regulation;
- (6) expand an existing regulation to address temporary geospatial routing in the context of changes to 9-1-1 service agreements;
- (7) not increase or decrease the number of individuals subject to the rule's applicability; and
- (8) not positively or adversely affect this state's economy

REGULATORY ANALYSIS OF MAJOR ENVIRONMENTAL RULES

CSEC has determined that this proposal is not a "major environmental rule" as defined by Government Code §2001.0225.

SMALL, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

In accordance with Government Code §2006.002(c), Mr. Friedrichs has determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities. The proposal permits service providers to implement temporary geospatial routing for a planned event or in response to an emergency incident at the request of a 9-1-1 administrative entity and requires that the service provider revert the routing back to the previously approved routing policy after the conclusion of such event or incident. This process does not economically impact either party. Accordingly, CSEC has not prepared an economic impact statement or regulatory flexibility analysis, nor has it contacted legislators in any rural communities regarding this proposal.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

Comments on the proposal may be submitted in writing c/o Kenny Moreland, General Counsel, Commission on State Emergency Communications, 1801 Congress Avenue, Suite 11.100, Austin, Texas 78701, or by email to kennym@csec.texas.gov. CSEC invites specific comments regarding the effects of the proposed rule, including the costs associated with, and benefits that will be gained by the proposed amendment. CSEC also requests any data, research, or analysis from any person required to comply with the proposed rule or any other interested person. CSEC will consider the information submitted by commenters and the costs and benefits of implementation in deciding whether to modify the proposed rules on adoption. Please include "251.2 Rulemaking Comments" in the subject line of your letter or email.

Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

STATEMENT OF AUTHORITY

The amended section is proposed pursuant to Health and Safety Code §§771.051, 771.055 - 771.056; and Title 1 Texas Administrative Code, Part 12, Chapter 251, 9-1-1 Service--Standards.

No other statute, article, or code is affected by the proposal.

§251.2. *Changes to 9-1-1 Service Arrangements.*

(a) Purpose. The purpose of this rule is to establish minimum requirements for implementing changes to 9-1-1 service arrangements in order to protect against degradation of service.

(b) Standards. All goods, services, systems, or technology purchased with 9-1-1 funds must be consistent with the current commonly accepted standards for enhanced and next-generation 9-1-1. The reference for commonly accepted standards for 9-1-1 networks, equipment, services, and databases is the National 911 Implementation and Coordination Office, commonly referred to as the National 9-1-1 Office. The Emergency Communications Advisory Committee will advise the Commission on matters including standards for statewide interoperability and interconnection of Texas 9-1-1 Administrative Entities' Emergency Services Internet Protocol Networks as provided in Com-

mission Rule §252.8, Emergency Communications Advisory Committee.

(c) Requirements to prevent degradation of 9-1-1 service.

(1) 9-1-1 Database Management Services Provider and 9-1-1 Network Services Provider Requirements.

(A) The service provider, including 9-1-1 Next Generation Core Services Provider, making the proposal to the Texas 9-1-1 Administrative Entity verifies in writing, as part of the proposed agreement, that:

(i) Service provider will participate in joint planning meetings with affected service providers and Texas 9-1-1 Administrative Entities as necessary to prevent degradation of 9-1-1 service;

(ii) Reasonable notice of the proposal (i.e., at least 10 days before a joint planning meeting) has been provided to the current service provider (if a change in service providers is involved) and to other potentially affected service providers;

(iii) The service provider also verifies that at least one joint planning meeting occurred with at least 10 days' notice to all affected service providers that they may participate in the joint planning meeting; and

(iv) As a result of the joint planning meeting either each technical issue or objection by other service providers has fully been resolved or an impartial statement of each unresolved issue or objection has been provided (a joint planning meeting is open to evaluate all alternatives and is not limited to a discussion of one service provider's proposal).

(B) All certifications, prerequisites, and agreements requiring approval under applicable laws and regulations, specifically including Public Utility Commission's §§26.272, 26.433, and 26.435 (16 TAC Part 2, Chapter 26) as they pertain to 9-1-1 service, have been obtained, completed, and approved.

(C) Upon request from a Texas 9-1-1 Administrative Entity, a service provider may implement temporary geospatial routing for a defined period of time for a planned event or in response to an emergency incident. At the conclusion of the planned event or emergency incident, the geospatial routing must revert back to the routing policy previously approved by the Texas 9-1-1 Administrative Entity.

(2) Texas 9-1-1 Administrative Entity Requirements. Prior to the implementation of a change in a 9-1-1 service arrangement, a Texas 9-1-1 Administrative Entity must give reasonable notice to all neighboring or adjacent 9-1-1 entities that could potentially be affected by 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 21, 2025.

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Commission on State Emergency Communications

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 922-9089



CHAPTER 252. ADMINISTRATION

1 TAC §§252.2, 252.3, 252.5 - 252.9

The Commission on State Emergency Communications (CSEC) proposes amendments to 1 TAC §§252.2, 252.3, 252.5 - 252.9.

BACKGROUND AND PURPOSE

CSEC proposes amendments to §§252.2, 252.3 and 252.5 - 252.9 (Title 1, Part 12, Chapter 251 of the Texas Administrative Code) relating to the administration of the agency. The primary purposes of the amendments are to update the rules to reduce inefficiency, be more consistent with relevant statutes, update the agency's procedures, reflect current terminology in the industry, and improve clarity.

SECTION-BY-SECTION EXPLANATION

Section 252.2 is amended to delete the first paragraph of subsection (a), which CSEC has determined is unnecessary because it merely restates policies and incorporates standards that can be found elsewhere. The second paragraph is also amended to update the references to rules of the Comptroller of Public Accounts to a general reference to Chapter 20 in case of future changes.

Section 252.3 is amended to remove two specific examples of serious illnesses of family members or employees, as CSEC determined that such limited examples are unnecessary. It is also amended to revise and clarify the process for prescribing procedures for the sick and family leave pool program.

Section 252.5 is amended to correct the specific statutory references to the State Employees Training Act, which is found in Texas Government Code, §§656.041 - 656.055, and to clarify that CSEC will also comply with the separate requirements in Texas Government Code Chapter 656 Subchapter D. State agencies are required under Texas Government Code § 656.048 to (a) adopt rules relating to: (1) the eligibility of the agency's administrators and employees for training and education supported by the agency; and (2) the obligations assumed by the administrators and employees on receiving the training and education; and (b) adopt rules requiring that before an administrator or employee of the agency may be reimbursed under § 656.047(b), the executive head of the agency must authorize the tuition reimbursement payment. Section 252.5 is also amended to update the name of CSEC's human resources policy document. Subsection (i), which relates to full or partial reimbursement of employee training to obtain a degree or certification, is deleted due to conflicts with Texas Government Code § 656.103. CSEC will adhere to Texas Government Code § 656.103 and, therefore, does not need to adopt a rule that just restates the statute or incorporates its standards by reference.

Section 252.6 is amended to clarify and revise the process that CSEC will follow for questions or disputes regarding the state demographer's population estimates from Regional Planning Commissions (RPCs) or Emergency Communication Districts (ECDs) whose 9-1-1 service boundaries and therefore population totals are not fully accounted for in the estimates. CSEC determined that subsection (b) needed clarification, as the third sentence failed to specify that "comment" is what is being allowed by CSEC staff providing the RPCs and ECDs with proposed percentages. Further, subsection (d) is amended to permit - rather than require - the Commission, upon request by an RPC, ECD, or Commission staff, to review and modify the adopted distribution percentages to account for changes in 9-1-1 service boundaries not reflected in the state demographer's population estimates. This change is appropriate because the Commission is the party

with ultimate authority to make the decision and would not be required to act on a request that it determines has no merit.

Section 252.7 is amended to update subsection (a) to update the reference to the National Emergency Number Association's current name for its source for definitions. The minimum value for "9-1-1 Equipment" in current subsection (b)(3) is increased from \$5,000 to \$10,000 for consistency with the Texas Grant Management Standards. The definition of "Applicable Law" in current subsection (b)(6) is removed because it is unnecessary to provide a non-exhaustive list of other laws. The minimum value for "Capital Assets" in current subsection (b)(7) is increased from \$5,000 to \$10,000 for consistency with the Texas Grant Management Standards. The definition of "Capital Purchase" in current subsection (b)(8) is removed because the term is not used in rules or CSEC policy documents. The definition of "Controlled Assets" in current subsection (b)(11) is updated for consistency with directive from the Texas Comptroller of Public Accounts. The term "Customer Premises Equipment (CPE)" in current subsection (b)(11) is replaced with the term "Call-Handling Equipment (CHE)," and the definition is updated to reflect current parlance. The definition of "Emergency Communication District (District)" is updated to include Texas Health and Safety Code, Chapter 772, Subchapter G, which was added to statute since the rule was previously adopted. The definition of "Equipment Maintenance" in current subsection (b)(16) is amended to correct the word "insure" to "ensure." The definition of "interlocal Agreement" in current subsection (b)(17) is revised to clarify that it refers to contracts executed under Texas Government Code, Chapter 791. The definition of "Local Monitoring Plan" in current subsection (b)(21) is revised to clarify that it applies to "Interlocal Agreements" as that term is defined in these rules. The definition for "Next Generation 9-1-1 Core Services" is added as new subsection (b)(20) to add this term, which refers to certain components of modern 9-1-1 technology. The definition of "Primary PSAP" in current subsection (b)(23) is amended to remove the reference to a "central office," which is not relevant to modern 9-1-1, and to add a reference to calls routed from a NGCS provider. The definition of "TDD" in current subsection (b)(24) is amended to remove superfluous language. The term "Uniform Grant Management Standards" in current section (b)(26) is replaced with "Texas Grant Management Standards," which is the current standard applicable to state agencies, and the authority referenced is updated. The definition of "Wireless 9-1-1 Call" in current subsection (b)(27) is updated to include the words "wireless service provider" as an explanation of the acronym "WSP." The definition for "Wireless E9-1-1 Service Agreement" in current Subsection (b)(31) is removed because this document is no longer relevant. All definitions are renumbered as needed to account for those definitions that are removed and added.

Section 252.8 is amended to revise subsection (a) to clarify that the Emergency Communications Advisory Committee (Committee) is actually established under Health and Safety Code §771.00511 and not established by the rule as it previously stated. Subsection (b) is amended to clarify the parties that make up the term "9-1-1 Entities" as used therein. Subsection (b)(1) is amended to correct the name of CSEC's Agency Strategic Plan. Subsections (c) and (e) are amended to make CSEC's Executive Director a voting member of the Committee instead of an ex-officio non-voting member. Subsection (c) is also amended to clarify that Committee members may not be from the same 9-1-1 Entity without regard to whether it is a state or local entity. Subsection (e) is further amended to clarify that the term of the Executive Director or such individual's designee

does not expire. CSEC believes this will benefit the Committee by allowing the Executive Director to play a more active role as a participant and to have a part in decision-making. Subsection (g) is amended to provide clarity and remove redundancy. Subsection (h) is amended to remove the possibility of a different reporting schedule beyond the standard September 1 deadline and to clarify that there is only one report, which is provided to inform CSEC of the Committee's activities rather than to advise CSEC. Current subsection (k), which relates to reimbursement of expenses, is removed because all meetings are virtual and do not require reimbursement. In the event of in-person meetings requiring reimbursement, CSEC would follow Government Code, Chapter 2110 and does not need to adopt a rule that just restates the same requirements found therein.

Section 252.9 is amended to clarify that "operating" is included in "providing 9-1-1 service" as that term is used in Health and Safety Code §771.053(a)'s grant of liability protection. CSEC believes this addition better describes the different roles that a next generation 9-1-1 service provider plays.

FISCAL NOTE

Andrew Friedrichs, CSEC's executive director, has determined that for each year of the first five fiscal years (FY) that the amended sections are in effect there will be no additional cost, reduction in cost, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the amended sections. The amendments to definitions in section 252.7 include two increases to the minimum monetary value for certain categories of expenses for Regional Planning Commissions, but this is only a change to whether the expenses are considered capitalized, meaning recorded as a long-term asset. There is no change from these amendments to what will be reimbursed to local governments by CSEC.

PUBLIC BENEFITS AND COSTS

Mr. Friedrichs has determined that for each year of the first five years the amended section is in effect, the public benefits anticipated as a result of the proposed amendments will be to reduce inefficiency by removing any portions of the rules that restate state or federal statute, are outdated or redundant, or simply incorporate other standards by reference when adoption by CSEC is not required. The amendments will also benefit the public by updating the rules to be consistent with current terminology from the National Emergency Number Association (NENA), professional organization dedicated to improving and modernizing the 9-1-1 emergency communication system that serves as an industry standard for language. Better clarity is also provided for members of the public and local governments by correcting statutory citations throughout the rules. The public is also benefited by the amendment that makes the Executive Director a voting member of the Emergency Communications Advisory Committee (Committee), because CSEC, as the state's authority on emergency communications, will be able to actively participate in the Committee's decision-making and provide a statewide perspective that is not provided from other members.

RULE INCREASING COSTS TO REGULATED PERSONS

Government Code §2001.0045 precludes a state agency from adopting a proposed rule if the fiscal note imposes a cost on regulated persons, including another state agency, a special district, or a local government, unless on or before the effective date the state agency: (a) repeals a rule that imposes a total cost on regulated persons that is equal to or greater than the total cost imposed on regulated persons by the proposed rule; or (b) amends

a rule to decrease the total cost imposed on regulated persons by an amount that is equal to or greater than the cost imposed on the persons by the rule. There are exceptions for certain types of rules under §2001.0045(c).

Section 2001.0045(b) is not applicable to these amendments as no costs are imposed on regulated persons as a result of the amendments. Accordingly, no repeal or amendment of another rule to offset costs is required.

LOCAL EMPLOYMENT IMPACT STATEMENT

CSEC has determined that the proposed amendments do not directly affect a local economy and therefore has not drafted a local employment impact statement as would otherwise be required under Administrative Procedures Act §2001.022.

GOVERNMENT GROWTH IMPACT STATEMENT

In compliance with the requirements of Texas Government Code §2001.0221, CSEC has determined that during the first five years that these amendments will be in effect they would:

- (1) not create or eliminate a government program;
- (2) not require the creation of new employee positions or the elimination of existing employee positions;
- (3) not require an increase or decrease in future legislative appropriations to CSEC;
- (4) not require an increase or decrease in fees paid to the agency;
- (5) not create a new regulation;
- (6) not expand, limit, or repeal an existing regulation;
- (7) not increase or decrease the number of individuals subject to the rule's applicability; and
- (8) not positively or adversely affects this state's economy

REGULATORY ANALYSIS OF MAJOR ENVIRONMENTAL RULES

CSEC has determined that this proposal is not a "major environmental rule" as defined by Government Code §2001.0225.

SMALL, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

In accordance with Government Code §2006.002(c), Mr. Friedrichs has determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities, as the proposed amendments only affect 9-1-1 administrative entities and do not cause the loss of any business opportunities or otherwise affect businesses. Accordingly, CSEC has not prepared an economic impact statement or regulatory flexibility analysis, nor has it contacted legislators in any rural communities regarding this proposal.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

Comments on the proposal may be submitted in writing c/o Kenny Moreland, General Counsel, Commission on State Emergency Communications, 1801 Congress Avenue, Suite 11.100, Austin, Texas 78701, or by email to kennym@csec.texas.gov.

CSEC invites specific comments regarding the effects of the proposed rule, including the costs associated with, and benefits that will be gained by the proposed amendment. CSEC also requests any data, research, or analysis from any person required to comply with the proposed rule or any other interested person. CSEC will consider the information submitted by commenters and the costs and benefits of implementation in deciding whether to modify the proposed rules on adoption. Please include "252.2, 252.3, 252.5 - 252.9 Rulemaking Comments" in the subject line of your letter or email.

Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

STATEMENT OF AUTHORITY

The amended sections are authorized pursuant to Health and Safety Code §§771.051, 771.0511, 771.053, and 771.0711(c), and Government Code §§ 656.048, 661.002, and 2161.003.

The proposed amendment to section 252.9 affects Health and Safety Code §771.053(a). No other statute, article, or code is affected by the proposal.

§252.2. Purchase of Goods and Services: Historically Underutilized Businesses.

[(a) The purpose of this subchapter is to establish the authority and responsibility to promote full and equal business opportunities for all businesses in state contracting in accordance with the goals specified in the State of Texas Disparity Study. It is the policy of the State of Texas and the Commission to encourage the use of historically underutilized businesses and to implement this policy through race, ethnic, and gender-neutral means.]

[(b)] In accordance with Government Code §2161.003, the Commission adopts by reference the Historically Underutilized Business rules of the Comptroller of Public Accounts in 34 Texas Administrative Code Chapter 20 [§§20.82(d)(1), 20.82(d)(4), and 20.282 - 20.287], relating to the Historically Underutilized Business Program.

§252.3. State Employee Sick and Family Leave Pools.

(a) A sick leave pool program is established to help alleviate the hardship caused to a state employee and the employee's immediate family if a catastrophic illness or injury or a previous donation to the sick leave pool forces the employee to exhaust their sick leave.

(b) A family leave pool program is established to provide a state employee more flexibility in:

(1) bonding with and caring for children during a child's first year following birth, adoption, or foster placement; and

(2) caring for a seriously ill family member or the employee[, including pandemic-related illnesses or complications caused by a pandemic].

(c) The Commission's Executive Director shall designate a Leave Pools Administrator to administer the sick and family leave pool programs.

(d) The Leave Pools Administrator, with approval by [the advice and consent of] the Executive Director, shall prescribe procedures for [the operation of] the sick and family leave pool programs and include such procedures in the Commission's Human Resources [Policy and Procedures] Manual.

(e) Employee donations of one or more days of accrued sick leave to the sick leave pool or accrued sick or vacation leave to the family leave pool are strictly voluntary and must be made in writing.

(f) Procedures for the operation of the sick and family leave pools will be consistent with Texas Government Code, Chapter 661.

§252.5. Employee Training.

(a) "Training" as used in this rule means instruction, teaching, or other education received by a Commission employee that is not normally received by all Commission employees and that is designed to enhance the ability of the employee to perform the employee's job. The term includes a course of study at an institution of higher education or a private or independent institution of higher education as defined by §61.003, Education Code, if the employing state agency spends money to assist the state employee to meet the expense of the course of study or pays salary to the employee to undertake the course of study as an assigned duty. The term does not include training required either by state or federal law or that is determined necessary by the Commission and offered to all Commission employees performing similar jobs.

(b) The Commission may make public funds available to its employees for training in accordance with the State Employees Training Act (Texas Government Code, §§656.041 - 656.055) and Texas Government Code Chapter 656, Subchapter D (§§656.101 - 656.104). The Commission may spend public funds to pay the salary, tuition and other fees, travel and living expenses, training stipend, expense of training materials, and other necessary expenses of an instructor, student, or other participant in a training program.

(c) The training must be related to the duties or prospective duties of the employee.

(d) Employees may be required to complete a training program related to the employee's duties or prospective duties.

(e) Requirements for eligibility and participation in a training program shall be in accordance with this rule and the Commission's current Human Resources [Policy and Procedures] Manual.

(f) Approval to participate in a training program, including Commission-sponsored programs, shall not in any way affect an employee's at-will status or constitute a guarantee or indication of continued employment, nor shall it constitute a guarantee or indication of future employment in a current or prospective position.

(g) Permission to participate in any training program may be withdrawn if the Commission's Executive Director determines that participation would negatively impact the employee's job duties or performance.

(h) For an authorized training program offered by an institution of higher education or private or independent institution of higher education:

(1) the Commission may only reimburse the tuition expenses for a program course(s) successfully completed by the employee at an accredited institution of higher education (including online courses or courses not credited towards a degree); and

(2) the Commission's Executive Director must authorize the tuition reimbursement payment.

[(i) An employee who requests a training program to obtain a degree or certification for which the Commission agrees to provide or reimburse all or part of the required tuition must agree in writing, as part of the employee's request, to fully repay the Commission any amounts paid if the employee voluntarily terminates employment with the Commission within one year after the training program is completed (prorated to credit any full calendar month of employment following completion of the training program) and any reasonable expenses the Commission incurs in obtaining restitution, including reasonable attorney's fees. An employee who voluntarily terminates employment before the end of one year after completing the training program due to extraor-

dinary circumstances may request that the Executive Director waive repayment.}]

(i) [(j)] All materials received by an employee through Commission-funded training are the property of the Commission.

§252.6. *Wireless Service Fee Proportional Distribution.*

(a) The Commission shall use the most recent annual population estimates from the Texas Demographic Center to determine the proportionate amount of wireless and prepaid wireless emergency service fees remitted per Health and Safety Code §771.0711(c) and §771.0712(a) attributable to each regional planning commission (RPC) and emergency communication district (ECD).

(b) Within 90 days of the publication of the state demographer's population estimates, Commission staff shall provide the RPCs and ECDs with the proposed proportionate distribution percentages. RPCs and ECDs may provide comments to the proposed percentages within the timeframe set by Commission staff. Commission staff's proposed percentages are provided to allow comment from RPCs and ECDs whose 9-1-1 service boundaries and therefore population totals are not fully accounted for in the state demographer's population estimates. It is the joint responsibility of affected RPCs and ECDs to provide the Commission with agreed adjustments to the proposed population distributions and proposed percentages to accurately reflect their 9-1-1 service populations.

(c) The Commission shall adopt proportionate distribution percentages in an open meeting. Notice of the adopted percentages shall be provided by Commission staff to the RPCs and ECDs within thirty (30) days of adoption.

(d) Upon request by an RPC, ECD, or Commission staff, the Commission shall review and may modify the adopted distribution percentages to account for changes in 9-1-1 service boundaries not reflected in the state demographer's population estimates.

(e) In accordance with Health and Safety Code §771.0711(c), Commission staff shall use the adopted percentages to distribute to each ECD not participating in the state system its pro-rata share of remitted wireless and prepaid wireless emergency service fees, and notify each ECD when a distribution is made.

(f) Commission staff shall use the adopted percentages to distribute to each ECD not participating in the state system the interest earned on remitted wireless and prepaid wireless emergency service fees and credited by the Comptroller of Public Accounts. Distributions of interest shall be made no less than once each fiscal year.

§252.7. *Definitions.*

(a) Purpose. This rule defines terms commonly used by the Commission. Terms not defined in this rule or another Commission rule or policy statement shall be defined by Applicable Law. The National Emergency Number Association (NENA) Knowledge Base [Master] Glossary [of 9-1-1 Terminology] is adopted by reference. Commission rules and/or policy statements shall govern in the event of a conflict with the definitions in the NENA Knowledge Base [Master] Glossary.

(b) Definitions. Unless the context clearly indicates otherwise, the following terms mean:

(1) 9-1-1 Call Taking Position--Equipment required to deliver an emergency 9-1-1 call. The position is defined as the equipment necessary to answer the call, not the associated personnel. A position consists of a device for answering the 9-1-1 calls, a device to display 9-1-1 call information, and the related telephone circuitry and computer and/or router equipment necessary to ensure reliable handling of the 9-1-1 call.

(2) 9-1-1 Database--An organized collection of information, which is typically stored in computer systems that are comprised of fields, records (data), and indexes. In 9-1-1, such databases include master street address guides (MSAG), telephone numbers, emergency service numbers (ESNs), and telephone customer records. This information is used for the delivery of location information to a designated public safety answering point (PSAP). Use of the 9-1-1 database must be authorized by the Commission and RPC. The database is developed and maintained by the local government agency and/or the RPC as described within the regional strategic plan in accordance with Commission Rule 251.9, Guidelines for Database Maintenance Funds.

(3) 9-1-1 Equipment--Items and components whose cost is over \$10,000 [\$5,000] and have a useful life of at least one year.

(4) 9-1-1 Funds--Funds assessed and disbursed in accordance with the Texas Health and Safety Code, Chapter 771.

(5) 9-1-1 Network--The dedicated network of equipment, circuits, and controls assembled to establish communication paths to deliver 9-1-1 emergency communications.

(6) Call-Handling Equipment (CHE)--The terminal equipment at a PSAP or other approved facility connected to a communications network to provide 9-1-1 service.

[(6) Applicable Law--Includes, but is not limited to, federal law and FCC regulations; Texas Health and Safety Code Chapter 771; Commission rules, Texas Administrative Code (TAC), Title 1, Part 12; Public Utility Commission of Texas rules, TAC Title 16, Part 2, Chapters 22 and 26; the Uniform Grant Management Standards, TAC Title 1, Part 1, Chapter 5, Subchapter A, Division 4. Also referred to as "applicable laws and rules."]

(7) Capital Asset--Items and components whose cost is over \$10,000 [\$5,000] and which have a useful life of at least one year.

[(8) Capital Purchase--A procurement of items, systems, or services that cost is over \$5,000 in the aggregate, and that have a useful life of at least one year.]

(8) [(9)] Commission--Commission on State Emergency Communications. Also referred to as CSEC.

(9) [(10)] Contingency Routing Plan--Routing scheme to provide for the provision of uninterrupted 9-1-1 service in the event of an incident that requires the temporary rerouting of 9-1-1 calls due to man-made or natural disasters.

(10) [(11)] Controlled Assets--Controlled assets are property classes that state agencies are required to report to the Comptroller. A listing of items can be found in the CPA FMX Website: https://fm.xcpa.texas.gov/fmx/pubs/spaproc/appendices/appa/appa_6.php, or as amended. [Items and components that have a cost of \$5,000 or less and have a useful life of at least one year and have a high risk for loss.]

[(12) Customer Premises Equipment (CPE)--the terminal equipment at a PSAP.]

(11) [(13)] Database Maintenance--A program for the maintenance of the regional MSAG.

(12) [(14)] Digital Map--A computer generated and stored data set based on a coordinate system, which includes geographical and attribute information pertaining to a defined location. A digital map includes street name and location information, data sets related to emergency service provider boundaries, as well as other associated data.

(13) [(45)] Emergency Communication District (District)--A public agency or group of public agencies acting jointly that provided 9-1-1 service before September 1, 1987, or that had voted or contracted before that date to provide that service; or a District created under Texas Health and Safety Code, Chapter 772, Subchapters B, C, D, or F.

(14) [(46)] Equipment Maintenance--The preservation and upkeep of 9-1-1 equipment in order to ensure [insure] that it continues to operate and perform at a level comparable to that exhibited at its initial acquisition.

(15) [(47)] FCC--The Federal Communications Commission.

(16) [(48)] Integrated Services--Primary or third party computer software applications that have been installed or implemented on an existing 911 call taking position's workstation that were not designed or intended for the workstation at the time of purchase or not loaded onto the workstation by the equipment vendor when originally installed at the PSAP.

(17) [(49)] Interlocal Agreement--A contract cooperatively executed under Chapter 791 Government Code between local governments or other political subdivisions of the state to perform administrative functions or provide services, relating to 9-1-1 telecommunications.

(18) [(20)] Local Government--A county, municipality, public agency, or any other political subdivision that provides, participates in the provision of, or has authority to provide fire-fighting, law enforcement, ambulance, medical, 9-1-1, or other emergency services and/or addressing functions.

(19) [(24)] Local Monitoring Plan--The RPC schedule for monitoring all Interlocal Agreements [interlocal contracts], 9-1-1 funded activities, equipment, PSAPs, and subcontractors.

(20) Next Generation 9-1-1 Core Services (NGCS)--The set of services needed to process a 9-1-1 call on an ESInet. The term does not include the network on which the services operate.

(21) [(22)] Primary PSAP--PSAP to which 9-1-1 calls are routed directly from a [central office/] selective routing tandem or NGCS provider.

(22) [(23)] Regional Planning Commission (RPC)--A commission established under Local Government Code, Chapter 391, also referred to as a regional council of governments.

(23) [(24)] Regional Strategic Plan--A plan developed by each RPC for the establishment and operation of 9-1-1 service throughout the region that the RPC serves. The service and contents must meet the standards established by the Commission. A Regional Strategic Plan may also be referred to as Regional Plan or Strategic Plan.

(24) [(25)] TDD--[the acronym for] Telecommunication Device for the Deaf. Other interchangeable acronyms accepted are TTY (Teletypewriter) or TT (Text Telephone).

(25) [(26)] Texas [Uniform] Grant Management Standards (TxGMS) [(UGMS)]--As developed by the Comptroller of Public Accounts [Governor's Office of Budget, Planning and Policy] under the authority of Texas Government Code, Chapter 783 [of the Texas Government Code].

(26) [(27)] Useful Life--The period of time that a piece of capital equipment can consistently and acceptably fulfill its service or functional assignment.

(27) [(28)] Wireless 9-1-1 Call--A call made by a wireless end user utilizing a WSP wireless network, initiated by dialing "9-1-1" (and, as necessary, pressing the "Send" or analogous transmitting button) on a Wireless Handset.

(28) [(29)] Wireless E9-1-1 Phase I Service--The service by which the wireless service provider (WSP) delivers to the designated PSAP the wireless end user's call back number and cell site/sector information when a wireless end user has made a 9-1-1 call, as contracted by the RPC.

(29) [(30)] Wireless E9-1-1 Phase II Service--The service by which the WSP delivers to the designated PSAP the wireless end user's call back number, cell site/sector information, as well as X, Y (longitude, latitude) coordinates to the accuracy standards set forth in the FCC Order.

[(31) Wireless E9-1-1 Service Agreement--The standard Phase I and/or Phase II Wireless E9-1-1 Service Agreement, as applicable, provided by the Commission and available on the Commission's web site.]

§252.8. *Emergency Communications Advisory Committee.*

(a) Purpose. The [purpose of this rule is to establish an] Emergency Communications Advisory Committee (Committee) is established under Health and Safety Code §771.0511 to assist the Commission in coordinating the development, implementation, interoperability, and internetworking of interconnected emergency services Internet Protocol networks (ESInets). Interconnected, interoperable ESInets providing Next Generation Core Services covering all of Texas constitute the State-level ESInet. As defined in Health and Safety Code §771.0511(a)(2), the State-level ESInet is used for communications between and among public safety answering points (PSAPs) and other entities that support or are supported by PSAPs in providing emergency call handling and response, and will be a part of the Texas Next Generation Emergency Communications System.

(b) Policy. It is Commission policy that the development, implementation, interoperability, interconnection, and internetworking of ESInets be done on a cooperative basis between the Commission, Regional Planning Commissions (RPCs), and Emergency Communication Districts (ECDs), as that term is defined in Health and Safety Code §§771.001(3)(A) and 771.001(3)(B) (collectively, [with the state's] 9-1-1 Entities). It is Commission policy that the Committee:

(1) advise the Commission on matters regarding the interoperability and interconnection of ESInets, specifically including but not limited to Statewide Interoperability & Standards development for planning for interconnectivity, interoperability, and internetworking of ESInets as reflected in the Commission's [Next Generation 9-1-1 Master Plan (Appendix 1 to the Commission) Agency Strategic Plan [for Statewide 9-1-1 Service for Fiscal Years 20xx-20xx)]; and

(2) provide for 9-1-1 Entity collaboration on issues regarding ESInets, particularly regarding interoperability and interconnection of ESInets, to ensure that the requirements of the state's 9-1-1 Entities are met.

(c) Composition of Committee. Each Committee member must have appropriate training, experience, and knowledge of Next Generation 9-1-1 technology and services and/or emergency services other than 9-1-1 services to effectively advise the Commission.

(1) the Committee is appointed by the Commission and includes, at a minimum, the following members:

(A) The Executive Director of the Commission or such individual's designee [as an ex-officio, non-voting member];

(B) two representatives from the [Regional Planning Commissions (RPCs)];

(C) two representatives from the [Emergency Communication Districts (ECDs)], as that term is defined in Health and Safety Code §771.001(3)(A); and

(D) two representatives from the ECDs, as that term is defined in Health and Safety Code §771.001(3)(B).

(2) No two Committee members may be from the same [state] 9-1-1 Entity.

(3) The Commission may add to the composition of the Committee including members representing emergency services other than 9-1-1 service.

(4) In appointing members to the Committee except under paragraph (3) of this subsection, the Commission shall consult with the RPCs and ECDs. RPCs may designate responsibility for consulting with the Commission to the Texas Association of Regional Councils. ECDs defined in Health and Safety Code §771.001(3)(A) and (B) may designate responsibility for consulting with the Commission to the Municipal Emergency Communication Districts Association and the Texas 9-1-1 Alliance, respectively.

(d) Bylaws. Draft bylaws for approval by the Commission. The bylaws shall, at a minimum, provide for the following:

(1) selection from among the members a presiding officer and an assistant presiding officer whose terms may not exceed two years; and

(2) establish standing committees.

(e) Terms of Office [for Voting Members]. Except for the Executive Director of the Commission or such individual's designee, whose term as a member does not expire, each [Each] member shall be appointed for a term of 3 years, except for the initial member terms under paragraph (4) of this subsection.

(1) Member terms begin on January 1st.

(2) Members shall continue to serve after the expiration of their term until a replacement member is appointed by the Commission.

(3) If a vacancy occurs, a person shall be appointed by the Commission to serve the unexpired portion of the vacating member's term.

(4) Members serve staggered terms. Initial member terms are as follows:

(A) one member from each 9-1-1 Entity represented on the Committee expires on December 31, 2013; and

(B) one member from each 9-1-1 Entity represented on the Committee expires on December 31, 2014.

(f) Committee Meeting Attendance. Members shall attend scheduled Committee meetings.

(1) A member shall notify the presiding officer or Commission staff if the member is unable to attend a scheduled meeting.

(2) The Commission may remove a member if it determines that a member cannot discharge the member's duties for a substantial part of the member's appointed term because of illness or disability, is absent from more than half of the Committee meetings during a fiscal year, or is absent from at least three consecutive Committee meetings. The validity of an action of the Committee is not affected by the fact that it is taken when a ground for removal of a member exists.

(g) Committee Roles and Responsibilities. The Committee is to assist the Commission in coordinating the development, implementation, and management of interoperable and interconnected ESInets. The Committee shall [will] seek state 9-1-1 Entity input and collaboration [regarding the interoperability and interconnection of ESInets], specifically including but not limited to Statewide Interoperability & Standards development for planning for interconnectivity, interoperability, and internetworking of ESInets as reflected in the Commission's Next Generation 9-1-1 Master Plan (Appendix 1 to the Commission Strategic Plan for Statewide 9-1-1 Service for Fiscal Years 20xx-20xx).

(h) Reporting to the Commission. The Committee, through its presiding officer, shall [will] submit by September 1 of each year an annual report to[; or according to the schedule established by the commission, written reports advising] the Commission on its activities. The reports shall include the following:

(1) an update on the Committee's work, including:

(A) Committee and sub- or standing-committee meeting dates;

(B) member attendance records;

(C) description of actions taken by the Committee;

(D) description of how the Committee has accomplished or addressed the tasks and objectives of this section and any other issues assigned to the Committee by the Commission; and

(E) anticipated future activities of the Committee;

(2) description of the usefulness of the Committee's work; and

(3) statement of costs related to the Committee, including the cost of Commission staff time spent in support of the Committee.

(i) Statement by a Member.

(1) The Commission and the Committee shall not be bound in any way by any statement or action by a member except when the statement or action is in pursuit of specific instructions from the Commission.

(2) The Committee and its members may not participate in legislative activity in the name of the Commission or the Committee without Commission approval.

(j) Advisory Committee. The Committee is an advisory committee in that it does not supervise or control public business or policy. As an advisory committee, the Committee is not subject to the Open Meetings Act (Government Code, Chapter 551).

[(k) Reimbursement for Expenses.]

[(1) In accordance with the requirements in Government Code, Chapter 2110, a Committee member may receive reimbursement for the member's expenses incurred for each day the member engages in official Committee business if authorized by the General Appropriations Act or budget execution process.]

[(2) No compensatory per diem shall be paid to Committee members unless required by law.]

[(3) A Committee member who is an employee of a state agency, other than the Commission, may not receive reimbursement for expenses from the Commission.]

[(4) A nonmember of the Committee who is appointed to serve on a committee may not receive reimbursement for expenses from the Commission.]

~~[(5)]~~ Each Committee member whose expenses are reimbursed under this section shall submit to Commission staff the member's receipts for expenses and any required official forms no later than 14 days after conclusion of the member's engagement in official Committee business.]

~~[(6)]~~ Requests for reimbursement of expenses shall be made on official state travel vouchers.]

~~(k)~~ ~~[(4)]~~ Commission Staff. Support for the Committee will be provided by Commission staff.

~~(l)~~ ~~[(m)]~~ Applicable law. The Committee is subject to Government Code, Chapter 2110, concerning state agency advisory committees.

~~(m)~~ ~~[(n)]~~ Commission Evaluation. The Commission shall annually evaluate the Committee's work, usefulness, and the costs related to the Committee, including the cost of Commission staff time spent supporting the Committee's activities.

~~(n)~~ ~~[(o)]~~ Report to the Legislative Budget Board. The Commission shall report to the Legislative Budget Board the information developed in subsection ~~(m)~~ ~~[(n)]~~ of this section on a biennial basis as part of the Commission's request for appropriations.

~~(o)~~ ~~[(p)]~~ Review and Duration. On or before September 1, 2029, the Commission will initiate and complete a review of the Committee to determine whether the Committee should be continued or abolished. If the Committee is not continued, it shall be automatically abolished on September 1, 2029.

§252.9. Liability Protection of NG9-1-1 Service Providers.

(a) Purpose. The purpose of this rule is to make clear that the protection from liability provided by Health and Safety Code §771.053(a) extends to and includes service providers involved in developing, ~~[and]~~ deploying, and operating Next Generation 9-1-1 (NG9-1-1).

(b) NG9-1-1 Service Providers. NG9-1-1 service provider refers to a person or entity involved in providing 9-1-1 service that utilizes in whole or in part Internet Protocol or other NG9-1-1 technologies.

(c) Liability Protection. NG9-1-1 service providers are protected from liability for any claim, damage, or loss arising from the provisioning of 9-1-1 service to the same extent as a service provider of telecommunications service involved in or a manufacturer of equipment used in providing 9-1-1 service under Health and Safety Code §771.053(a).

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 21, 2025.

TRD-202504302

Kenny Moreland

General Counsel

Commission on State Emergency Communications

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 922-9089



1 TAC §252.4

The Commission on State Emergency Communications (CSEC) proposes the repeal of rule 252.4.

BACKGROUND AND PURPOSE

CSEC proposes to repeal §252.4 (Title 1, Part 12, Chapter 252 of the Texas Administrative Code) relating to charges for open records requests. This repeal will remove a rule that is unnecessary because the requirements for imposing charges for open records requests are governed by the rules adopted by the Texas Office of the Attorney General in Title 1, Part 3, Chapter 70 of the Texas Administrative Code pursuant to the directive in Texas Government Code §552.262.

The statute directs the attorney general to adopt rules and states such rules shall be used by each governmental body in determining charges for providing copies of public information and in determining the charge, deposit, or bond required for making public information that exists in a paper record available for inspection, except to the extent that other law provides for charges for specific kinds of public information. There is no requirement for a state agency to adopt these rules.

FISCAL NOTE

Andrew Friedrichs, CSEC's executive director, has determined that for each year of the first five fiscal years (FY) that the repeal is in effect there will be no additional cost, reduction in cost, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the repealed section.

PUBLIC BENEFITS AND COSTS

Mr. Friedrichs has determined that for each year of the first five years the repeal is in effect, the public benefits anticipated as a result of the proposed repeal will be to improve efficiency by removing an unnecessary rule, thereby reducing the total number of regulations adopted by CSEC.

RULE INCREASING COSTS TO REGULATED PERSONS

Government Code §2001.0045 precludes a state agency from adopting a proposed rule if the fiscal note imposes a cost on regulated persons, including another state agency, a special district, or a local government, unless on or before the effective date the state agency: (a) repeals a rule that imposes a total cost on regulated persons that is equal to or greater than the total cost imposed on regulated persons by the proposed rule; or (b) amends a rule to decrease the total cost imposed on regulated persons by an amount that is equal to or greater than the cost imposed on the persons by the rule. There are exceptions for certain types of rules under §2001.0045(c).

Section 2001.0045(b) is not applicable to this repeal as no new costs are imposed on regulated persons as a result of the repeal. Accordingly, no repeal or amendment of another rule to offset costs is required.

LOCAL EMPLOYMENT IMPACT STATEMENT

CSEC has determined that the proposed repeal does not directly affect a local economy and therefore has not drafted a local employment impact statement as would otherwise be required under Administrative Procedures Act §2001.022.

GOVERNMENT GROWTH IMPACT STATEMENT

In compliance with the requirements of Texas Government Code §2001.0221, CSEC has determined that during the first five years that this repeal will be in effect it would:

(1) not create or eliminate a government program;

- (2) not require the creation of new employee positions or the elimination of existing employee positions;
- (3) not require an increase or decrease in future legislative appropriations to CSEC;
- (4) not require an increase or decrease in fees paid to the agency;
- (5) not create a new regulation;
- (6) repeal an existing regulation, although the repealed regulation was duplicative of existing regulations adopted by the Texas Attorney General in Title 1, Part 3, Chapter 70 of the Texas Administrative Code;
- (7) decrease the number of individuals subject to the rule's applicability, because the rule is repealed, but such individuals will still be subject to the existing regulations adopted by the Texas Attorney General in Title 1, Part 3, Chapter 70 of the Texas Administrative Code; and
- (8) not positively or adversely affects this state's economy

REGULATORY ANALYSIS OF MAJOR ENVIRONMENTAL RULES

CSEC has determined that this repeal is not a "major environmental rule" as defined by Government Code §2001.0225.

SMALL, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

In accordance with Government Code §2006.002(c), Mr. Friedrichs has determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities, because the proposed repeal does not change the process for charges for open records requests. Accordingly, CSEC has not prepared an economic impact statement or regulatory flexibility analysis, nor has it contacted legislators in any rural communities regarding this proposal.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

Comments on the proposed repeal may be submitted in writing c/o Kenny Moreland, General Counsel, Commission on State Emergency Communications, 1801 Congress Avenue, Suite 11.100, Austin, Texas 78701, or by email to kennym@csec.texas.gov. CSEC invites specific comments regarding the effects of the proposed repeal, including the costs associated with, and benefits that will be gained by the proposed repeal. CSEC also requests any data, research, or analysis from any person required to comply with the proposed repeal or any other interested person. CSEC will consider the information submitted by commenters and the costs and benefits of implementation in deciding whether to modify the proposed repeal on adoption. Please include "252.4 Rulemaking Comments" in the subject line of your letter or email.

Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

STATEMENT OF AUTHORITY

The proposed appeal is authorized pursuant to Health and Safety Code §§771.051; Government Code §552.262; and Texas Administrative Code Title 1, Part 3, Chapter 70.

No other statute, article, or code is affected by the proposal.

§252.4. Charges for Open Records Requests.

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 21, 2025.

TRD-202504308

Kenny Moreland

General Counsel

Commission on State Emergency Communications

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 922-9089



CHAPTER 253. PRACTICE AND PROCEDURE

1 TAC §§253.1, 253.3 - 253.5

The Commission on State Emergency Communications (CSEC) proposes amendments to 1 TAC §§253.1 and, 253.3 - 253.5.

BACKGROUND AND PURPOSE

CSEC proposes amendments to rules §§253.1 and 253.3 - 253.5 (Title 1, Part 12, Chapter 253 of the Texas Administrative Code) relating to the agency's practice and procedure. The primary purposes of the amendments are to update, simplify, and clarify the agency's procedures regarding petitions for rulemaking, protest procedures, negotiated rulemaking, and enhanced contract and performance monitoring.

SECTION-BY-SECTION EXPLANATION

Section 253.1 is amended to delete current subsection (a)(2), which requires publication of a petition for rulemaking received by CSEC and a three-week comment period. This process is not required under the requirements prescribed in Texas Government Code §2001.021. Therefore, CSEC has determined this paragraph may be deleted in order to simplify the process for petitions for rulemaking. Section 253.1 is also amended to delete the second sentence of current subsection (a)(3), which requires CSEC to initiate a rulemaking proceeding if it does not consider and address the petition in an open meeting within 60 days after receiving the petition for rulemaking. CSEC has determined that this requirement also goes beyond the requirements of Texas Government Code §2001.021, and the process for petitions for rulemaking is simplified and improved by tracking the statutory requirements more closely. The subsections are renumbered accordingly.

Section 253.3 is amended to replace the General Counsel with CSEC's Director of Contracting and Purchasing in subsections (c) - (l) regarding which position fills certain roles in the process for reviewing protests related to contract purchases made by CSEC. Upon consideration of the activities to be performed and upon review of practices by other similarly situated agencies, CSEC determined this role is better served by the Director of Contracting and Purchasing. Current subsection (n) is deleted, because it is unnecessary to state that CSEC shall maintain documentation in accordance with its retention schedule. This is

already required under Texas Government Code §§441.183 - 441.189 and does not need to be restated in this rule.

Section 253.4 is amended to delete a sentence in subsection (b)(4) that stated certain required contents for the notice of rulemaking when published in the *Texas Register*. This is unnecessary to address in CSEC's rule, because the notice requirements for negotiated rulemaking are established in Texas Government §2008.053 and do not need to be restated in part in CSEC's rule. Section 253.4 is also amended to clarify that the facilitator discussed in subsection (b)(5) must be appointed in accordance with the requirements in Texas Government Code §2008.055 before being approved by the negotiated rulemaking committee.

Section 253.5 is amended to clarify the requirement in subsection (b) that contracts identified for enhanced contact and/or performance monitoring will be reported to the Commission at the next regular Commission meeting. CSEC determined this change was necessary due to the possibility of being misconstrued to refer to the first Commission meeting of the fiscal year. Such a reading was not the intent of this rule. Section 235.5 is also amended to clarify in subsection (d) that the rule does not apply to a grant agreement, as opposed to a grant award. CSEC determined this change was necessary due to the possibility of being misconstrued to refer to an award notice but not the grant agreement that follows. Section 235.5 is also amended to delete the last sentence in subsection (d), which CSEC determined was redundant and, therefore, unnecessary.

FISCAL NOTE

Andrew Friedrichs, CSEC's executive director, has determined that for each year of the first five fiscal years (FY) that the amended sections are in effect there will be no additional cost, reduction in cost, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the amended sections. These amendments affect administrative processes that do not carry costs or generate revenue.

PUBLIC BENEFITS AND COSTS

Mr. Friedrichs has determined that for each year of the first five years the amended section is in effect, the public benefits anticipated as a result of the proposed amendments will be to reduce inefficiency by removing any portions of the rules that restate statutes or add steps to the processes that are not required by statutes. The public is benefited by placing the Director of Contracting and Purchasing in the role for protests that is currently occupied by the General Counsel, because the Director of Contracting and Purchasing is better suited to fulfill those duties. This change is in line with practices of other state agencies, including the Comptroller for Public Accounts. CSEC believes existing procedures across state agencies will be easier for the public to navigate. Finally, the clarifications to the rule regarding enhanced contract and/or performance monitoring will ensure that the Commission and the public are always informed at the next regular Commission meeting rather than potentially being misconstrued to allow such notice to wait until the first meeting of the next fiscal year.

RULE INCREASING COSTS TO REGULATED PERSONS

Government Code §2001.0045 precludes a state agency from adopting a proposed rule if the fiscal note imposes a cost on regulated persons, including another state agency, a special district, or a local government, unless on or before the effective date the state agency: (a) repeals a rule that imposes a total cost on regulated persons that is equal to or greater than the total cost im-

posed on regulated persons by the proposed rule; or (b) amends a rule to decrease the total cost imposed on regulated persons by an amount that is equal to or greater than the cost imposed on the persons by the rule. There are exceptions for certain types of rules under §2001.0045(c).

Section 2001.0045(b) is not applicable as no costs are imposed on regulated persons as a result of the proposed amendments. Accordingly, no repeal or amendment of another rule to offset costs is required.

LOCAL EMPLOYMENT IMPACT STATEMENT

CSEC has determined that this proposal does not directly affect a local economy and therefore has not drafted a local employment impact statement as would otherwise be required under Administrative Procedures Act §2001.022.

GOVERNMENT GROWTH IMPACT STATEMENT

In compliance with the requirements of Texas Government Code §2001.0221, CSEC has determined that during the first five years that the amendment of this rule will be in effect it would:

- (1) not create or eliminate a government program;
- (2) not require the creation of new employee positions or the elimination of existing employee positions;
- (3) not require an increase or decrease in future legislative appropriations to CSEC;
- (4) not require an increase or decrease in fees paid to the agency;
- (5) not create a new regulation;
- (6) not expand, limit, or repeal an existing regulation;
- (7) increase or decrease the number of individuals subject to the rule's applicability; and
- (8) not positively or adversely affect this state's economy

REGULATORY ANALYSIS OF MAJOR ENVIRONMENTAL RULES

CSEC has determined that none of the proposed amendments are a "major environmental rule" as defined by Government Code §2001.0225.

SMALL, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

In accordance with Government Code §2006.002(c), Mr. Friedrichs has determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities as the rule affects only CSEC and its interactions with members of the public or vendors. Accordingly, CSEC has not prepared an economic impact statement or regulatory flexibility analysis, nor has it contacted legislators in any rural communities regarding this proposal.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

Comments on the proposal may be submitted in writing c/o Kenny Moreland, General Counsel, Commission on State Emergency Communications, 1801 Congress Avenue, Suite 11.100,

Austin, Texas 78701, or by email to kennym@csec.texas.gov. CSEC invites specific comments regarding the effects of the proposed amendments, including the costs associated with, and benefits that will be gained by the proposed amendments. CSEC also requests any data, research, or analysis from any person required to comply with the proposed amendments or any other interested person. CSEC will consider the information submitted by commenters and the costs and benefits of implementation in deciding whether to modify the proposed rules on adoption. Please include "253.1, 253.3-253.5 Rulemaking Comments" in the subject line of your letter or email.

Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

STATEMENT OF AUTHORITY

The amendments are proposed pursuant to Health and Safety Code §§771.040, 771.051; and Texas Government Code §§2001.021, 2009.051, 2155.076, and 2261.202.

No other statute, article, or code is affected by the proposal.

§253.1. *Petitions for Rulemaking before the Commission.*

(a) Petition for Rulemaking. Any interested person may petition the commission requesting the adoption of a new rule or the amendment of an existing rule.

(1) The petition shall be in writing and shall include a brief explanation of the rule, the reason(s) the new or amended rule should be adopted, the statutory authority for such a rule or amendment, and complete proposed text for the rule. The proposed text for the rule shall indicate by striking through the words, if any, to be deleted from the current rule and by underlining the words, if any, to be added to the current rule.

{(2) Upon receipt of a petition for rulemaking by the agency, the executive director of the commission or his or her designee shall submit a notice for publication in the miscellaneous documents section of the *Texas Register*. The notice shall include a summary of the petition, the name of the individual, organization or entity that submitted the petition, and notification that a copy of the petition will be available for review and copying at the commission's offices. Comments on the petition shall be due three weeks from the date of publication of the notice. Failure to publish a notice of a petition for rulemaking in the *Texas Register* shall not invalidate any commission action on the petition for rulemaking.}

(2) [(3)] Within 60 days after submission of a petition, the commission either shall deny the petition in writing, stating its reasons for the denial, or shall initiate rulemaking proceedings. [If the commission does not consider and address the petition in an open meeting during the 60 days, the executive director of the commission shall initiate rulemaking proceedings.]

(b) Commission Initiated Rulemaking. The commission may initiate rulemaking proceedings on its own motion or on the motion of the executive director of the commission. Nothing in this section shall preclude the executive director of the commission or his or her designee from consideration or development of new rules or amendments to existing rules without express direction from the commission.

§253.3. *Protest Procedures.*

(a) The purpose of this rule is to provide for the efficient and effective resolution of protests related to contract purchases made by the Commission.

(b) These procedures are consistent with those of the Texas Comptroller of Public Accounts (Comptroller) (34 Tex. Admin. Code

§§20.533 - 20.538). In the event of a direct conflict between the rules, the procedures in §§20.533 - 20.538 shall control.

(c) In the event of a direct conflict with the Comptroller's rules, the following terms used in the Comptroller rules shall be defined as follows:

(1) Comptroller--The Commission.

(2) Chief Clerk--Commission Executive Director.

(3) Director--Commission Director of Contracting and Purchasing. [General Counsel]

(4) General Counsel--Commission General Counsel.

(5) Using Agency--The Commission.

(d) Any actual or prospective bidder, offeror, or contractor claiming to have been aggrieved in connection with the solicitation, evaluation or method of evaluation, award of a contract, or tentative award by the Commission may submit a protest to the Director of Contracting and Purchasing [General Counsel]. Protests must be received by the Director of Contracting and Purchasing [General Counsel] within 10 [working] days after the protesting party knows, or should have known, of the occurrence of the action that is the subject of the protest. A Protest must conform to subsection (d) and subsection (f) of this section, and shall be resolved through the procedures described in subsections (g) - (n) of this section. The protesting party must mail or deliver copies of the protest to all interested parties.

(e) In the event a protest is timely received, the Commission shall not proceed further with the solicitation, evaluation, or award a contract unless the Director of Contracting and Purchasing [General Counsel], after consultation with the Commission's Executive Director, makes a written determination that a contract must be awarded without delay to protect the best interests of the state.

(f) A protest must be sworn and meet the requirements of Comptroller §20.535(a)(1) (34 Tex. Admin. Code §20.535).

(g) The Director of Contracting and Purchasing [General Counsel] may settle and resolve the dispute over the solicitation, evaluation, award of a contract, or tentative award at any time before the matter is submitted on appeal to the Executive Director. The Director of Contracting and Purchasing [General Counsel] may solicit written responses to the protest from interested parties.

(h) If the protest is not resolved by mutual agreement, the Director of Contracting and Purchasing [General Counsel] shall send a determination letter resolving the protest to the protesting party and interested parties. The determination letter shall set for the reasons for the determination; and

(1) If the Director of Contracting and Purchasing [General Counsel] determines that a violation of any statutory or regulatory provisions has occurred in a situation in which a contract has not been awarded, include in the determination letter the appropriate remedy for the violation; or

(2) If the Director of Contracting and Purchasing [General Counsel] determines that a violation of any statutory or regulatory provisions has occurred in a situation in which a contract has been awarded, may declare the awarded contract to be void.

(i) The protesting party may appeal a determination of a protest by the Director of Contracting and Purchasing [General Counsel] to the Executive Director. An appeal of the Director of Contracting and Purchasing's [General Counsel's] determination must be in writing and received in the office of the Executive Director no later than 10 working days from the date notice of the determination was sent. The

protesting party's appeal must contain a certified statement that a copy of the appeal was sent to all interested parties. The scope of the appeal shall be limited to a review of the General Counsel's determination.

(j) The Executive Director may refer the matter to the Commission for consideration or may issue a written decision regarding the appeal.

(k) The following requirements shall apply to a protest that the Executive Director refers to the Commission:

(1) The Executive Director shall deliver copies of the appeal and any responses by interested parties to each Commissioner.

(2) The Commission may consider any documents that Commission staff or interested parties have submitted.

(3) The Commission shall issue a written letter of determination of the appeal to the protesting party and all interested parties which shall be final.

(l) A protest or an appeal of a determination that is not timely received shall not be considered unless good cause for delay is shown or the Director of Contracting and Purchasing [General Counsel] determines that an appeal raises issues that are significant to Commission procurement practices or procedures in general.

(m) A determination issued by either the Executive Director or the Commission shall be the final administrative action of the Commission.

~~{(n) The Commission shall maintain all documentation on the purchasing process that is the subject of a protest or appeal in accordance with the records retention schedule of the Commission.}~~

§253.4. Negotiated Rulemaking and Alternative Dispute Resolution.

(a) Policy. It is the Commission's policy to encourage the use of negotiated rulemaking and alternative dispute resolution procedures in appropriate situations.

(b) Negotiated Rulemaking. When the Commission finds that a rule to be proposed is likely to be complex, controversial, or affect disparate groups, the Commission may propose to engage in negotiated rulemaking in accordance with the Government Code, Chapter 2008.

(1) The Commission's executive director or his designee shall serve as the Commission's convener.

(2) The convener shall assist in identifying persons who are likely to be affected by a proposed rule, including those who oppose issuance of a rule. The convener shall discuss with those persons or their representatives as provided in Government Code §2008.052(c).

(3) The convener shall then recommend to the Commission whether negotiated rulemaking is a feasible method to develop the proposed rule and shall report to the agency on the relevant considerations, including those listed in Government Code §2008.052(d).

(4) After considering the convener's recommendation and report, if the Commission intends to engage in negotiated rulemaking it shall publish notice of its intent in appropriate media and in the *Texas Register* consistent with the requirements in Government Code §2008.053(a). ~~[The notice shall include a request for comments on the proposal to engage in negotiated rulemaking and list the people the Commission proposes to appoint to the negotiated rulemaking committee.]~~

(5) After considering comments, if the Commission intends to proceed with negotiated rulemaking it shall appoint a negotiated rulemaking committee and a facilitator in accordance with Government Code §2008.055 that is approved by the negotiated rulemaking committee.

(6) The facilitator shall preside over meetings of the negotiated rulemaking committee and assist the committee in establishing procedures for conducting negotiations and in attempting to arrive at a consensus on the proposed rule.

(7) At the conclusion of negotiations, the negotiated rulemaking committee shall send a written report to the Commission as provided in Government Code §2008.056(d).

(8) After considering the negotiated rulemaking committee's report, if the Commission intends to proceed with the rulemaking process it shall proceed in accordance with Government Code, Chapter 2001, Subchapter B.

(c) Alternative Dispute Resolution. The Commission encourages the fair and expeditious resolution of disputes through alternative dispute resolution (ADR) procedures.

(1) ADR procedures include any procedure or combination of procedures described by Civil Practice and Remedies Code, Chapter 154. ADR procedures are intended to supplement and not limit other dispute resolution procedures available for use by the Commission.

(2) Any ADR procedure used to resolve disputes before the Commission shall conform with Government Code, Chapter 2009, and, to the extent possible, the model guidelines for the use of ADR issued by the State Office of Administrative Hearings (SOAH).

(3) Upon receipt of notice of a dispute, the Commission's Executive Director, in consultation with the Commission's General Counsel, shall determine whether use of an ADR procedure is an appropriate method for resolving the dispute.

(4) If an ADR procedure is determined to be appropriate, the Commission's Executive Director shall recommend to the claimant the use of ADR to resolve the dispute. The Commission's General Counsel will collaborate with the claimant to select an appropriate procedure for dispute resolution and implement the agreed upon procedure consistent with SOAH's model guidelines.

(5) ADR for Breach of Contract Claims. Resolution of breach of certain contract claims brought by a contractor against the Commission shall conform to the requirements of Government Code, Chapter 2260. The Commission adopts by reference the Office of the Attorney General's rules regarding the negotiation and mediation of certain contract disputes (1 Texas Administrative Code Part 3, Chapter 68).

(6) The requirements of Government Code, Chapter 2260, and the Office of the Attorney General's model rules are required prerequisites to a contractor filing suit in accordance with Civil Practices and Remedies Code, Chapter 107.

(d) The Commission's General Counsel is designated as the coordinator to implement the Commission's policy under this rule, provide necessary training, and collect data concerning the effectiveness of the implemented procedures.

§253.5. Enhanced Contract and Performance Monitoring.

(a) The Commission will conduct enhanced contract and/or performance monitoring for each Commission contract that:

(1) has an expected total value in excess of \$5 million; or

(2) the Commission or its Executive Director requests enhanced monitoring based on risk assessment factors, including:

(A) The impact of the contracted goods or services on essential Commission functions or programs;

(B) Vendor experience with delivering the contracted goods or services;

(C) Vendor performance on previous Commission contracts; and

(D) Vendor performance during the contract term.

(b) Contracts identified for enhanced contract and/or performance monitoring will be reported to the Commission at the next [first] regular Commission meeting [after the contract is executed]. Thereafter, the Commission will be immediately notified of any unresolved or potential serious issue or risk arising with respect to an identified contract.

(c) Identified contracts will be monitored in accordance with policies and procedures in the Commission's Contract Management Handbook.

(d) This rule does not apply to a memorandum of understanding, interagency contract, interlocal agreement, grant agreement, or a contract that has no cost to the Commission. [This rule specifically does not apply to a Commission contract with either a Regional Planning Commission or Regional Poison Control Center.]

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

Filed with the Office of the Secretary of State on November 21, 2025.

TRD-202504309

Kenny Moreland

General Counsel

Commission on State Emergency Communications

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 922-9089



TITLE 4. AGRICULTURE

PART 1. TEXAS DEPARTMENT OF AGRICULTURE

CHAPTER 28. TEXAS AGRICULTURAL FINANCE AUTHORITY

The Texas Agricultural Finance Authority (TAFA or the Authority), a public authority within the Texas Department of Agriculture (Department), proposes rule amendments to Texas Administrative Code, Title 4, Chapter 28, Subchapter A, §§28.2, 28.3, 28.5, and 28.7; Subchapter B, §§28.10, 28.12 - 28.19; Subchapter C, §§28.20, 28.23 - 28.30, 28.32, 28.35 - 28.37; Subchapter D, §§28.40 - 28.48; Subchapter E, §§28.50 - 28.55; Subchapter F, §§28.60 - 28.63; and Subchapter G, §§28.70 - 28.72, 28.74 - 28.78, 28.80, 28.83, 28.86 and 28.87. In addition, TAFA proposed new rules within Subchapter E, §§28.56 - 28.58. TAFA also proposes repeal of Subchapter G, §28.73. TAFA further proposes new Subchapter H within Chapter 28, comprised of §§28.90 - 28.96, providing rules for the establishment, implementation, and administration of the Pest and Disease Control and Depredation Program, which is designed to implement agriculture-related pest, disease, or depredating animal control efforts and mitigate agriculture losses.

During its Regular Session, the 89th Texas Legislature enacted House Bill (HB) 43, which amended Chapter 58 of the Texas Agriculture Code relating to the Authority. With the passage of

HB 43, several TAFA financial assistance programs were modified and a new pest and disease control and depredation program was established.

In conjunction with this proposed rulemaking, TAFA conducted the statutorily-required review of its rules. Notice of this rule review was published in the October 10, 2025 issue of the *Texas Register* (50 TexReg 6689); no comments were received from the public. TAFA has adopted its rule review with proposed amendments, proposed new rules, and a proposed repeal, primarily to implement HB 43 and improve and update the rules in areas identified during the statutorily-required rule review to clarify and improve readability for the public.

SECTION-BY-SECTION SUMMARY

The proposed amendments to §28.2 remove several redundant definitions for terms already defined in TAFA's enabling statutes in the Texas Agriculture Code ("Agricultural business," "Agricultural product," and "Lender"), add definitions for the terms, "Administrator" and "Department" to account for the use of these terms in the chapter, modify some definitions to improve readability, and make conforming formatting changes.

The proposed amendment to §28.3 makes a change to identify a defined term.

The proposed amendments to §28.5 make changes to identify defined terms. In addition, new language is incorporated into §28.5 to recognize that a resolution of the TAFA board pertaining to administration of the Texas Agricultural Fund shall control over the rules in this chapter if a conflict arises.

The proposed amendments to §28.7 make changes to identify defined terms and improve readability. Similarly, the proposed amendments to §28.10 and §28.12 identify defined terms.

The proposed amendments to §28.13 correct a statutory reference to the Texas Agriculture Code; remove a redundant definition ("Linked deposit"), adds a definition for "Lender"; and modify a definition to clarify and improve readability.

The proposed amendments to §28.14 make changes to identify defined terms and improve readability.

The proposed amendments to §28.15 make changes to identify defined terms, to track statutory language for the maximum loan rate a borrower would pay, to allow for additional methods of communication including email, and to update the threshold amount that requires a lender to notify the Authority.

The proposed amendments to §28.16 make changes to identify defined terms.

The proposed amendments to §28.17 make changes to identify defined terms and correct a reference within the chapter.

The proposed amendments to §§28.18 and 28.19 make changes to identify defined terms.

The proposed amendments to §§28.20, 28.23, 28.24, 28.25, 28.26, 28.27, and 28.28 make changes to identify defined terms and improve readability.

The proposed amendments to §28.29 update the maximum loan guarantee amounts under the Agricultural Loan Guarantee Program and adds language to allow the TAFA board to consider loan guarantees in excess of \$1 million and approved by resolution of the TAFA board. Additional changes are also incorporated to improve the rule's readability.

The proposed amendments to §§28.30, 28.32, and 28.35 make changes to identify defined terms and improve readability.

The proposed amendments to §28.36 is modified to align with statutory language in the Texas Agriculture Code and incorporate changes to improve readability.

The proposed amendments to §28.37 make changes to identify defined terms and improve readability.

Proposed amendment to the heading for Subchapter D is updated from "Young Farmer Interest Rate Reduction Program Rules" to read "Farmer Interest Rate Reduction Program Rules" to remove the word, "Young" and reflect changes made by HB 43 to Texas Agriculture Code, Chapter 58.

The proposed amendments to §§28.40 and 28.41 remove the word "young" when necessary to conform with HB 43 and make changes to improve the rules' readability.

The proposed amendments to §28.42 removes an unnecessary definition, modifies the definition of "Lender" and reflects changes made to improve the section's readability.

The proposed amendments to §28.43 make changes to identify defined terms and correct a reference within the chapter.

The proposed amendments to §28.44 update language to reference statute for the maximum loan rate a borrower would pay, to allow for additional methods of communication including email, and update the threshold amount that requires a lender to notify the Authority.

The proposed amendments to §§28.45, 28.46, and 28.47 make changes to identify defined terms and correct a typographical error.

The proposed amendments to §28.48 increase the maximum loan amount to conform with changes made by HB 43 and to identify defined terms and improve readability.

Proposed amendment to the heading for Subchapter E is updated to reflect the change in program name from "Young Farmer Grant Program Rules" to "Agriculture Grant Program Rules" to reflect changes made by HB 43 to Texas Agriculture Code, Chapter 58.

The proposed amendments to §28.50 update the purpose of the program to conform with changes made by HB 43 to Texas Agriculture Code, Chapter 58 and make changes to improve readability.

The proposed amendments to §28.51 identify defined terms and replace the phrase, "young farmer," with "agriculture" when necessary to conform with changes made by HB 43 to Texas Agriculture Code, Chapter 58.

The proposed amendments to §28.52 remove an unnecessary definition, modify another definitions, and improve readability.

The proposed amendments to §28.53 update the program name, remove the age requirements and modify the eligible project types to conform with changes made by HB 43 to Texas Agriculture Code, Chapter 58.

The proposed amendments to §28.54 clarify permissible uses of certain grant funds and improve readability.

The proposed amendments to §28.55 provides the TAFE board with greater flexibility in its administration of the grant program by creating multiple grant opportunities, clarifying application de-

tails and allowing the TAFE board to determine grant cycles each year and not limit it to two periods.

Proposed new rule, §28.56 (Use of Grant), describes basic information required to be published for each grant opportunity and states the manner in which grant funds will be disbursed.

Proposed new rule, §28.57 (Filing Requirements; Consideration of Project Requests; Grant Awards), requires an applicant to submit an application in the format prescribed by TAFE, requires TAFE to publish the maximum award amount and allows TAFE to decline all applications in its sole discretion.

Proposed new rule, §28.58 (Reporting Requirements) requires grant recipients to comply with reporting requirements that will be included in the grant agreement.

The proposed amendment to §28.60 identifies a defined term.

The proposed amendments to §28.61 identify defined terms and correct a statutory reference.

The proposed amendments to §28.62 identify defined terms and correct an internal reference within the chapter.

The proposed amendments to §28.63 identify a defined term.

Proposed amendment to the heading for Subchapter G is updated to reflect the change in program name from "Rural Economic Development Finance Program" to "Rural Agriculture Economic Development Finance Program" to reflect changes made by HB 43 to Texas Agriculture Code, Chapter 58.

The proposed amendments to §§28.70 and 28.71 add the term, "Agriculture," to references to the grant program and the phrase, "agriculture-related" to references to the types of grant projects allowed under the program ("rural agriculture-related economic development"), as modified by HB 43, and make non-substantive edits to identify defined terms and improve readability.

The proposed amendments to §28.72 remove definitions no longer necessary based on HB 43 ("Economic Development Corporations" and "Special Purpose District"), add a definition for "Rural agriculture-related economic development" to account for the use of this phrase in the subchapter, and modifies definitions, such as "Applicant" and "Political Subdivision" to provide additional clarification and improve readability.

The proposed amendments to §§28.74, 28.75, 28.76, 28.77, and 28.78 add the phrase, "agriculture-related," to the phrase, "rural economic development," and make changes to provide additional clarification and improve readability.

The proposed amendments to §28.80 remove references to "sales tax" and "tax" from list of options to secure commitments.

The proposed amendments to §28.83 identify defined terms and provide additional clarification and improve readability.

The proposed amendments to §§28.86 and 28.87 add the term, "Agriculture," to references to the grant program reflect changes made by HB 43 to Texas Agriculture Code, Chapter 58.

New Subchapter H is proposed to reflect the establishment of a new pest and disease control and depredation program in Texas Agriculture Code, Chapter 58 by enactment of HB 43.

New proposed rule, §28.90 (Statement of Purpose), identifies the purposes of the new grant program as control efforts and to mitigate agriculture losses.

New proposed rule, §28.91 (Definitions) adds the definition of "Program" for purposes of this subchapter.

New proposed rule, §28.92 (Administration) outlines staffing, ability of the TAFE board to create multiple programs, and requirement for board to adopt selection criteria.

New proposed rule, §28.93 (Eligibility), limits participation in the program to those entities identified in statute including Texas Animal Health Commission, Texas A&M AgriLife Extension Service, and Texas A&M AgriLife Research.

New proposed rule, §28.94 (Use of Grant), describe basic information required to be published for each grant opportunity and states the manner in which funds will be disbursed.

New proposed rule, §28.95 (Filing Requirements; Consideration of Project Requests; Grant Awards), requires an applicant to submit an application in the format prescribed by the Authority, requires the Authority to publish the maximum award amount, and allows the Authority to decline all applications in its sole discretion.

New proposed rule, §28.96 (Reporting Requirements), requires grant recipients to comply with reporting requirements that will be included in the grant agreement.

Proposed repeal of §28.73 relating to the Texas Rural Community Loan is appropriate to reflect changes made by HB 43 to Texas Agriculture Code, Chapter 58.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT

Ms. Mindy Fryer, Director of Rural Programs and Financial Assistance, has determined that for each year of the first five years the proposed rulemaking is in effect, enforcing or administering the sections will have no fiscal impact on state or local governments.

PUBLIC BENEFIT AND COSTS

Ms. Fryer determined that, for each of the first five years, the proposed rulemaking is in effect, the public benefit will be increased opportunities for agricultural producers and businesses to apply for grants and other financial assistance programs to maintain, create, or expand their operations. Additional benefits of the proposed rule amendments include enhanced readability, clarity and transparency.

Ms. Fryer has determined that there are no anticipated economic costs. Persons are not required to participate in TAFE's programs and the proposed rulemaking does not impact the cost of participation.

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

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

COST INCREASE TO REGULATED PERSONS

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

TAKINGS IMPACT ASSESSMENT

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

GOVERNMENT GROWTH IMPACT STATEMENT

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

- (1) the proposed rulemaking is necessary and required to implement programs created through the enactment of HB 43, 89th Texas Legislature, Regular Session;
- (2) implementation of the proposed rulemaking may require the creation of new employee positions;
- (3) implementation of the proposed rulemaking will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the proposed rulemaking will not require an increase or decrease in fees paid to the agency;
- (5) the proposed rulemaking contains new rules and therefore create new regulations;
- (6) the proposed rulemaking contains rule amendments that will expand, limit, or repeal an existing regulation;
- (7) the proposed rulemaking will not increase or decrease the number of individuals subject to the rules' applicability; and
- (8) the proposed rulemaking will positively affect the state's agriculture economy by creating additional financial assistance programs available to producers and agribusinesses.

The proposed rulemaking will not affect a local economy within the meaning of Texas Government Code, §2001.022 and will not have an adverse economic effect on small businesses, micro-businesses, or rural communities.

PUBLIC COMMENTS

Public comments on the proposed rule amendments, proposed new rules, and proposed repeal may be submitted in writing to Mindy Fryer, Director for Rural Programs and Financial Assistance, Texas Department of Agriculture, P.O. Box 12847, Austin, Texas 78711; or by email to Grants@TexasAgriculture.gov no later than 30 days from the date of publication in the *Texas Register*.

SUBCHAPTER A. FINANCIAL ASSISTANCE RULES

4 TAC §§28.2, 28.3, 28.5, 28.7

The rule amendments, repeal, and new rules are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.2. Definitions.

In addition to the definitions set forth in Texas Agriculture Code, §58.002, the following words and terms, when used in this chapter,

shall have the following meanings, unless the context clearly indicates otherwise. Definitions applicable to specific programs may be included within the applicable subchapter.

(1) Act--The Texas Agricultural Finance Act, Texas Agriculture Code, Chapter 58[; as amended].

(2) Administrator--The individual employed by the Commissioner, with approval of the Board, to perform duties related to administration of the Authority, as further described in Texas Agriculture Code, Section 58.015(c). [Agricultural business--A business that is or proposes to be engaged in producing, processing, marketing, or exporting of an agricultural product; that is the entity designated to carry out the boll weevil eradication program in accordance with the Texas Agriculture Code, §74.1011; that is or proposes to be engaged in an agricultural-related business in rural areas of Texas; including a business that provides recreational activities associated with the enjoyment of nature or the outdoors on agricultural land; or a state agency or an institution of higher education that is engaged in producing an agricultural product.]

~~(3)~~ Agricultural product--An agricultural, horticultural, viticultural, or vegetable product; bees, honey; fish or other seafood; planting seed; livestock; a livestock product; a forestry product; poultry; or a poultry product; either in its natural or processed state; or any other agricultural product approved by the Authority; that has been produced, processed, or otherwise had value added to it in this state.]

(3) ~~(4)~~ Applicant--Any eligible agricultural business [person, corporation, partnership, cooperative, joint venture, sole proprietorship; the entity designated to carry out the boll weevil eradication in accordance with Texas Agriculture Code, §74.1011, or a state agency or institution of higher education] filing an application with the Authority for financial assistance under any program under this chapter. A lender may submit an application on behalf of any of the above-mentioned parties.

(4) ~~(5)~~ Application--An application promulgated and approved by the [Texas Agricultural Finance Authority] Board [of Directors], including supporting documentation and schedules as required by the Authority, for participation in a program [the programs] under this chapter.

(5) ~~(6)~~ Authority--The Texas Agricultural Finance Authority.

(6) ~~(7)~~ Board--The board of directors of the Authority.

(7) ~~(8)~~ Business day--A day on which the Department [department] is open for business. The term shall not include Saturday, Sunday, or a traditional holiday officially observed by the State [state]. The Department's [department's] normal business hours are 8:00 a.m. to 5:00 p.m. each business day.

(8) ~~(9)~~ Compliance report--A copy of the final loan documents.

(9) ~~(40)~~ Comptroller--The Texas Comptroller of Public Accounts.

(10) ~~(44)~~ Current market rate--The rate of interest on a United States treasury bill or note, the maturity date of which most closely matches the maturity date of the loan, or the end of the current biennium of the State, whichever is sooner, as determined by reference to the United States treasury bill or note section of the Wall Street Journal or equivalent publication including an electronic publication, published on the day the loan is priced.

(11) ~~(42)~~ Default--The failure to perform an obligation established by the loan agreement, these rules or the Act.

~~(12)~~ Department--The Texas Department of Agriculture.

~~(13)~~ Deputy Commissioner--The Deputy Commissioner of the Department [of Agriculture].

~~(14)~~ (No change.)

~~(15)~~ Fund--The Texas Agricultural Fund [agricultural fund].

~~(16)~~ Lender--A financial institution that makes commercial loans and is either a depository of state funds or an institution of the Farm Credit System headquartered in this state including a bank, banking association, savings bank, trust company, mortgage company, investment banker, credit union, underwriter, life insurance company, or any affiliate of those entities, and also including any other financial institution or governmental agency that customarily provides financing of agricultural loans or mortgages, or any affiliate of such an institution or agency; or any institution that the board determines is an experienced and sophisticated financial institution that agrees to participate in a financial program under this chapter.]

~~(16)~~ ~~(17)~~ Loan guarantee amount--With respect to loans made by a lender and guaranteed by the Authority, a sum measured in terms of United States dollars that the Authority pays to the lender to acquire an undivided interest in any loan or, in the case of default by the borrower, the Authority agrees to pay to the lender, not to exceed the percentage as stated in the guaranty agreement.

~~(17)~~ ~~(18)~~ Program [Programs]--Any financial assistance program approved by the Authority board and defined by the rules under this chapter.

~~(18)~~ ~~(19)~~ Project--An enterprise which would further the expansion or development of production, processing, marketing or exporting of Texas agricultural products or other agricultural-related rural economic development projects.

~~(19)~~ ~~(20)~~ Qualified application--A completed application, including all documents and information required by the Authority and submitted by the lender or applicant[;] for participation in a program under this chapter.

~~(20)~~ Rural area--An area which is predominately rural in character; an unincorporated area or a city with a population under 50,000; or a county with a population under 200,000, or another area defined by resolution of the board with respect to a particular program.

~~(21)~~ Rural--A municipality with a population of less than 50,000.]

~~(21)~~ ~~(22)~~ Staff--The staff of the Authority or staff of the Department performing work for the Authority.

~~(22)~~ ~~(23)~~ State--The State of Texas.

§28.3. Examination of Records.

Any party requesting records of the Authority must submit a written request to the Department [department] pursuant to the Texas Public Information Act, Texas Government Code, Chapter 552.

§28.5. Texas Agricultural Fund.

The Fund [fund], established in the Office of the Texas Comptroller [office of the comptroller], may consist of general obligation bond or commercial paper note proceeds, revenues generated from fees on farm vehicle registrations, appropriations or transfers made to the fund, guaranty fees, monies received from the operation of the program, interest paid on money in the fund from the operation of the program, interest paid on money in the Fund and any other monies received from other sources for the fund. The Board [board] may, by resolution, provide

for the establishment and maintenance of separate accounts within the Fund ~~[fund]~~, including loan guaranty program accounts as prescribed by the Board ~~[board]~~. In the event of any conflict between these rules and the provisions of a resolution of the Board pertaining to the administration of the Fund, the provisions of the Board's resolution shall control.

§28.7. *Servicing and Collateral Administration.*

(a) Except as otherwise provided by state law, these rules, or a resolution of the Board ~~[board]~~, the staff, with the approval of the Commissioner ~~[commissioner]~~ or Deputy Commissioner ~~[deputy commissioner]~~, or an ~~[the department]~~ official of the Department designated by Commissioner ~~[commissioner as being responsible for the Authority's programs]~~, shall have the power to act on behalf of the Authority, without specific board approval, in regard to the administration, collection, enforcement, settlement and servicing of each and every commitment previously approved by the Board ~~[board]~~ under the Authority's programs, including, without limitation, those commitments and programs in effect prior to September 1, 2009. Such authority shall include, without limitation, any action required to be taken under any commitment, financial instrument, grant agreement, interest rebate or reduction agreement, loan guarantee, obligation, participation agreement, and any other agreement approved by the Board ~~[board]~~ and entered into by the Authority with respect to financial assistance or commitment made by the Authority.

(b) Nothing in this section shall prevent the Commissioner ~~[commissioner]~~, the Deputy Commissioner ~~[deputy commissioner]~~, the ~~[department]~~ official of the Department designated by Commissioner ~~[commissioner as being responsible for the Authority programs]~~, or the staff from submitting any matter to the Board ~~[board]~~ for its consideration and approval.

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 21, 2025.

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Susan Maldonado
General Counsel

Texas Department of Agriculture

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 463-6591



SUBCHAPTER B. INTEREST RATE REDUCTION PROGRAM

4 TAC §§28.10, 28.12 - 28.19

The rule amendments, repeal, and new rules are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.10. *Authority.*

The [Texas Agricultural Finance] Authority is authorized by Chapter 44 of the Code, §44.007 to establish the Interest Rate Reduction Program.

§28.12. *Scope.*

These sections will govern all applications filed under the Interest Rate Reduction Program. The Authority and the Comptroller ~~[comptroller]~~ may waive the applicability of any section to an application when such waiver would be in the public interest and would further the purposes of the Act.

§28.13. *Definitions.*

In addition to the definitions set forth ~~[out]~~ in Texas Agriculture Code, §44.001 [Chapter 58, as amended] and §28.2 [in subchapter A] of this chapter (relating to Definitions [Financial Assistance Rules]), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) (No change.)

(2) Borrower--An eligible borrower that receives a linked deposit loan under the Program.

~~{(2) Eligible borrower--A person who proposes to use the proceeds of a loan under the interest rate reduction program in a manner that will help accomplish the state's goal of fostering the:}~~

~~{(A) creation and expansion of enterprises based on agriculture in this state; or}~~

~~{(B) development or expansion of businesses in rural areas of the state.}~~

(3) Lender--An eligible lending institution as defined in Texas Agriculture Code, §44.001(1).

~~{(3) Linked deposit--A time deposit governed by a written deposit agreement between the state and the lender that provides that:}~~

~~{(A) the lender pay interest on the deposit at a rate that is not less than the greater of:}~~

~~{(i) the current market rate minus 2%; or}~~

~~{(ii) 1.5%;}~~

~~{(B) the state not withdraw any part of the deposit before the expiration of a period set by a written advance notice of the intention to withdraw; and}~~

~~{(C) the eligible lending institution agree to lend the value of the deposit to an eligible borrower at a maximum rate that is the linked deposit rate plus a maximum of 4.0%.}~~

(4) (No change.)

§28.14. *Application Procedure for Applicant.*

(a) An applicant must comply with the following procedures to obtain approval of the application for participation in the Program ~~[program]~~. An applicant shall submit a complete and accurate ~~[loan]~~ application and any required credit documentation to the lender and an applicant shall supply all required documentation that the Authority requires to determine whether the applicant is qualified under the Act and the rules in this subchapter ~~[these sections]~~.

(b) The Borrower ~~[eligible borrower]~~ shall notify the Authority upon receipt of the loan proceeds indicating the amount received, date received, and the total amount of loan drawn to date in a manner provided by §28.4 of this chapter (relating to Communication with the Authority).

§28.15. *Application Procedure for Lender.*

A Lender [lender] must comply with the following procedures to obtain approval of an application for participation in the Program [program].

(1) A Lender [lender] must be an eligible lending institution, as defined by the Act, to participate in the Program [program].

(2) A Lender [lender] that is not an approved depository may obtain the appropriate designation by filing a state depository application with the Comptroller [comptroller].

(3) A Lender [lender] may obtain the application and information about the Program [program] from the Authority.

(4) A Lender [lender] shall determine the applicant's creditworthiness according to the Lender's [lender's] underwriting criteria.

(5) A loan, while under the Program [program], shall be set at a rate of interest established according to the prescribed linked deposit formula under the Act. The linked deposit rate will be recalculated at the end of the fiscal biennium. The Borrower's [eligible borrower's] loan rate shall not exceed the maximum rate permitted under the Act [linked deposit rate plus 4.0%].

(6) A Lender [lender] shall forward the original completed and approved application to the Authority pursuant to instructions in the solicitation document.

(7) A Lender [lender] shall estimate the proposed rate of interest to be charged the Borrower [eligible borrower]. The Lender [lender] must certify via telephone, email, or other approved communication with the Comptroller [comptroller] at the time the loan is priced the actual rate of interest before issuance of the linked deposit. A copy of the certification of the Borrower's [eligible borrower's] loan rate shall be sent to the Authority or the Administrator [administrator], as part of the compliance report. In no event shall the actual rate of interest exceed the maximum rate of interest allowable under the Act.

(8) In no instance will the linked deposit be wired to the Lender [lender] until the loan proceeds have been paid to the Borrower [eligible borrower]. In most cases, the entire approved linked deposit amount will be placed as a linked deposit with the applicable Lender [lender], except for linked deposits greater than \$100,000 which are subject to incremental funding commensurate with principal draw-down.

(9) A Lender [lender] shall submit the compliance report to the Authority within seven days after the loan is funded.

(10) A Lender [lender] shall notify the Authority in writing immediately upon a default and/or in the case of a prepayment or a principal reduction greater than \$10,000 [~~\$5,000~~] in any one calendar quarter of a loan under the Program [program].

(11) A Lender [lender] shall comply with all terms and agreements set forth in the state depository handbook, state depository application, the linked deposit application, and any other agreements and representations made to the Authority and the Comptroller [comptroller], and all other terms and conditions of the loan, these rules and the Act.

§28.16. *Procedure for Review.*

(a) Upon receipt of the application, staff shall review the application and determine:

(1) the current availability of funds under the Program [program];

(2) (No change.)

(3) the eligibility of the applicant and the Lender [lender];

(4) - (5) (No change.)

(b) The staff shall notify the Lender [lender] of any deficiencies in the application within ten business days after receipt of the application. The applicant and the Lender [lender] may amend the application to comply with the Authority's comments or withdraw the application.

(c) The Board [board] will approve or deny any and all applications under this subchapter [chapter], provided that the Board [board] may delegate such authority to the Commissioner [commissioner] and/or the Deputy Commissioner [deputy commissioner].

(d) The staff shall retain a copy of the application and forward a duplicate copy of the application with the Authority's recommendation to the Comptroller [comptroller].

§28.17. *Acceptance and Rejection Procedures.*

(a) The Comptroller [comptroller] shall review completed applications from the Authority and notify the Authority of their decision to accept or deny the application.

(b) The Authority will notify the Lender [lender] if the application has been accepted or denied.

(c) The Comptroller [comptroller] will inform the Lender [lender] of the amount of the required collateralization of the linked deposit. The Authority will forward written notice that the Lender [lender] has requested funding to the Comptroller [comptroller]. The Comptroller [comptroller] will wire the linked deposit to the Lender [lender] in immediately available funds the same day, provided written notice of funding of the loan is received by 9:00 a.m. The Comptroller [comptroller] will then provide the Authority confirmation of the linked deposit.

(d) The Comptroller [comptroller] shall determine the terms and conditions of the linked deposit once the maturity date is established (it cannot be set beyond the end of the biennium in which the linked deposit is placed), the applicable interest rate for the linked deposit can be determined by referring to the United States Treasury bill or note section of the current issue of the Wall Street Journal corresponding with the day the loan is priced. The maturity date is matched to the closest treasury bill maturity. If longer than a year, it is matched to the treasury note with the maturity closest to the linked deposit maturity. In the case of a multiple maturity listing, the maturity with the lowest yield to arrive at the linked deposit rate should be used.

(e) An applicant may reapply for participation in the Program [program] after rejection of an application if the application complies with the standards set forth in this subchapter [chapter] and under the Act.

(f) A Lender [lender] shall terminate the linked deposit if the loan is prepaid. Quarterly principal reductions of \$1,000 or more will result in a corresponding reduction of the linked deposit in a like amount (rounded to the nearest thousand dollars) at the end of each quarter ending in November, February, May, and August. Upon completion of the quarterly review by the Comptroller [comptroller] and the Authority, the linked deposit will be adjusted to the outstanding principal balance rounded to the nearest thousand dollars.

(g) If a Lender [lender] ceases to be a state depository, the Comptroller [comptroller] shall withdraw the linked deposits. If the Lender [lender], which has a linked deposit, is purchased by another lending institution, the linked deposit will be reissued to the purchasing institution. Should the linked deposit loan not be obtained by the purchasing institution, then the linked deposit will be returned to the Comptroller [comptroller]. The Authority and the Comptroller

[comptroller] will allow the Borrower [eligible borrower] 90 days to place the loan with another Lender [lender].

(h) A late payment on a loan by a Borrower [an eligible borrower] does not affect the validity of the linked deposit through the period of the fiscal biennium. Should a Borrower [an eligible borrower] default on a loan and the Lender [lender] proceed with collection by foreclosure, the linked deposit must be returned to the Comptroller [comptroller].

§28.18. *Use of Loan Proceeds.*

(a) Loan proceeds under the Program [program] may be used for any agriculture-related operating expense, including the purchase or lease of land or fixed asset acquisition or improvement, or for any enterprise based on agriculture as identified in the application, but a loan under this Program [program] may be applied to existing debt only when required by the Lender [lender] to finance the expansion of an eligible project.

(b) An applicant or Lender [lender] may request the Authority to provide a preliminary determination if the anticipated use of the proceeds is a qualified use of proceeds.

(c) Any use of loan proceeds that do not comply with these rules or any misrepresentations made to the Authority shall be a basis for default. The Lender [lender] shall include a provision in the loan that declares a default and requires acceleration of the loan where the applicant uses the proceeds in any manner that would violate the provisions of the Act, these rules or the loan.

§28.19. *Program Limitations.*

In addition to the limitations already set forth in these rules, the following limitations apply: []

(1) (No change.)

(2) The maximum amount of a loan under this Program [program] is \$500,000.

(3) All linked deposits placed under this Program [program] shall expire upon expiration of the biennium; however, subject to legislative authorization and approval by the Authority and the Comptroller [comptroller], linked deposits that expired as a result of the expiration of the biennium may be renewed.

(4) The State [state] shall not be liable for any failure to comply with the terms and conditions of the loan, or any failure to make any payments or any other losses or expenses that occur directly or indirectly from the Program [program].

(5) An applicant may have more than one application and linked deposit loan with the Program [program] provided that the total applications and total linked deposits approved do not exceed \$500,000.

(6) A person shall not receive approval of an application if a previous loan under the Program [program] is in default.

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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For further information, please call: (512) 463-6591



SUBCHAPTER C. AGRICULTURAL LOAN GUARANTEE PROGRAM

4 TAC §§28.20, 28.23 - 28.30, 28.32, 28.35 - 28.37

The rule amendments are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.20. *Authority.*

The [Texas Agricultural Finance] Authority is authorized by Chapter 58 of the Code, Subchapter E, §§58.051 - 58.056 to establish the Agricultural Loan Guarantee Program.

§28.23. *Definitions.*

In addition to the definitions set forth [out] in [the] Texas Agriculture Code, §58.002 [Chapter 58], as amended, and §28.2 [in subchapter A] of this chapter (relating to Definitions [Financial Assistance Rules]), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

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

§28.24. *Applicant Requirements.*

A lender may submit an application on behalf of an applicant if the applicant meets the following requirements:

(1) if an individual, the applicant is a United States citizen and a resident of the State [of Texas], or an entity in good standing and legally authorized to conduct business in the State [of Texas];

(2) provides evidence that the applicant's farm, ranch, or agriculture-related business is or will be located within the State [state]; and

(3) (No change.)

§28.25. *Project Costs.*

(a) Eligible costs. Financing received under this Program [program] may be used to provide working capital for operating a farm, ranch, or agriculture-related business, including: the lease of facilities, the purchase of machinery and equipment, or for any other agriculture-related business purpose, including the purchase of real estate, as defined in the plan.

(b) Ineligible costs. Use of financing received under this Program for any costs other than those identified in the plan shall be considered ineligible costs. A loan guarantee is voidable by the Board [board] or the Commissioner [commissioner] if the borrower uses loan proceeds for any costs not identified in the plan.

§28.26. *Consideration of Applications.*

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

(d) Board or Commissioner [~~commissioner~~] review. The staff shall submit a credit memorandum to the Board [~~board~~] which shall include a recommendation for approval or denial for each qualified application received by the Program [~~program~~]. The Board [~~board~~] shall approve or deny each qualified application. The Board [~~board~~] may impose additional terms and conditions as part of its approval. The Board [~~board~~] may delegate to the Commissioner [~~commissioner~~] or Deputy Commissioner [~~deputy commissioner~~] the authority to take any and all action described in this subsection.

(e) (No change.)

(f) Denial of application. If the application is denied, staff will notify the lender in writing, identifying the reasons for denial. Applicants who have been denied may re-apply to the Program [~~program~~].

(g) Providing false information. An applicant who knowingly provides false information in an application shall be disqualified from obtaining a loan guarantee under the Program [~~program~~] and shall be liable to the Authority and the department for any expense incurred by the Authority or the department as a result of the falsity. If the falsity is discovered after approval of a loan guarantee, the falsity may constitute grounds for revocation of the guarantee, and the Authority shall be entitled to exercise all its rights under the loan documents.

(h) Reporting to the Board [~~board~~]. Staff shall report to the Board [~~board~~] at each Board [~~board~~] meeting the status of loans of the Authority and any applications approved by the Commissioner [~~commissioner~~] under the Program [~~program~~] since the last meeting of the Board [~~board~~].

§28.27. *Contents of the Application.*

The applicant must present to the lender the information necessary to determine if the applicant is eligible and qualified to receive a loan guarantee under the Program [~~program~~]. Such information will include the following:

(1) the application checklist form for the Program [~~program~~] provided by the Authority;

(2) - (4) (No change.)

§28.28. *Application Process.*

(a) A qualified application will be considered by the board at the first available meeting of the Authority or by the Commissioner [~~commissioner~~] when the staff has had sufficient time to complete its review of the qualified application.

(b) - (d) (No change.)

§28.29. *General Terms and Conditions of the Authority's Financial Commitment.*

(a) Maximum amount of loan guarantee. A guarantee shall not exceed:

(1) \$1,000,000 [~~\$750,000~~] or 70% of the loan amount, whichever is less;

(2) \$750,000 [~~\$500,000~~] or 80% of the loan amount, whichever is less;

(3) \$500,000 [~~\$250,000~~] or 90% of the loan amount, whichever is less.

(b) Notwithstanding Subsection (a), guarantees in excess of \$1,000,000 may be approved subject to a resolution of the Board.

(c) [~~(b)~~] Program limit. The amount that may be used to guarantee loans under this subchapter may not exceed three times the

amount contained in the Fund [~~Texas agricultural fund~~], calculated on an annual basis as of September 30 each year.

(d) [~~(e)~~] Security. Financial commitments approved under this Program [~~program~~] must be secured by a first lien on collateral of a type and value which, when considered with other criteria, in the judgment of the Board [~~board~~] or the Commissioner [~~commissioner~~] affords reasonable assurance of repayment of the loan.

(e) [~~(d)~~] Closing of the loan. The Commissioner [~~commissioner~~] or a designee may attend the verification and signing of closing documents at the time, date, and location determined by the commercial lender.

(f) [~~(e)~~] Closing costs. All closing costs associated with the closing of an approved loan, including the Authority's review of the closing documents by independent legal counsel, may be charged to the borrower.

(g) [~~(f)~~] Co-participation. An applicant or eligible borrower may seek co-participation in financial assistance from other private and governmental sources. In any event, the Authority's maximum guarantee for any loan may not exceed the loan guarantee limits, with the lender(s) remaining at risk for at least 10% of the loan.

(h) [~~(g)~~] Duration of Guarantee. The duration of the loan guarantee approved by the Authority must not exceed the lesser of the useful life of the assets being financed or 10 years.

(i) [~~(h)~~] Interest rate. The interest rate on the guaranteed loan (not including guarantee fees) shall be the rate charged by the lender and approved by the Authority. To be eligible for a guarantee under the Program [~~program~~], a loan with a term of more than one year must have a fixed interest rate.

§28.30. *Reporting Requirements.*

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

(c) If necessary, the Authority may request other reports or documentation reasonably necessary for an assessment of the borrower's compliance with the Program [~~program~~].

§28.32. *Criteria for Approval of Loan Guarantee.*

(a) The Board [~~board~~] or the Commissioner [~~commissioner~~] shall consider the following factors in deciding whether to approve an application for a loan guarantee:

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

(b) Eligibility of the lender. The lender originating a loan must have a continuing ability to evaluate, perform, and service the loan; to make the necessary reports as identified in the rules of the Program [~~program~~]; and to collect the loan, if requested by the Authority, upon default. The commercial lender must agree to exercise due diligence in the servicing, maintenance, review, and evaluation of performance without regard to the existence of the Authority's guarantee or any other limitation of risk. The Board [~~board~~] or the Commissioner [~~commissioner~~] reserves the right to decline a loan guarantee, or revoke a loan guarantee to a lender which does not present sufficient evidence that they have the capacity or interest to appropriately make and service the loan. The Board [~~board~~] may revoke or limit a loan guarantee if the lender fails to substantially comply with financial industry standards pertaining to reasonably prudent administration, origination, servicing, or underwriting of loans, or if the lender fails to comply with all obligations required under agreements with the Authority.

(c) The Authority has adopted a Credit Policy and Procedures document, which contains additional guidelines used by the Authority in the loan guarantee review and approval process. The Credit Policy

and Procedure document may be obtained from the Texas Agricultural Finance Authority, Texas Department of Agriculture, P.O. Box 12847, Austin, Texas 78711.

§28.35. *Loan Guarantee Administration.*

(a) Except as otherwise provided by state law, by these rules, or by resolution of the Board [board], the staff, with the approval of the Commissioner [commissioner], the Deputy Commissioner [deputy commissioner of agriculture], or an [the] official of the Department designated by the Commissioner [commissioner of agriculture as being responsible for the department's agricultural finance programs,] shall have the authority to act on behalf of the Authority, without specific Board [board] approval, in regard to the ongoing servicing, collection, settlement, and enforcement of each and every loan guaranteed by the Authority under the Program [program]. Such authority shall include, without limitation, the actions required to be taken by the Authority under any loan agreement, and any other agreement entered into by the Authority concerning a loan guaranteed by the Authority under the Program [program].

(b) Nothing in this section shall prevent the staff or the Commissioner [commissioner], the Deputy Commissioner [deputy commissioner], or the official of the Department designated by the Commissioner [commissioner of agriculture] from submitting any matter to the Board [board] for its consideration and approval.

§28.36. *Interest Rebate Requirements and Procedures.*

(a) The Board [board] may independently establish a rate reduction (percent and amount) from time to time in its sole discretion to be eligible in the form of a rebate to qualifying eligible borrowers; however, in any one calendar year, the rate reduction per eligible borrower shall not exceed the amount described in Section 58.052(c) [three percentage points or a maximum amount of \$10,000].

(b) (No change.)

(c) The eligible borrower and lender must agree to all the criteria for the Program [program] found in this subchapter.

(d) - (h) (No change.)

§28.37. *Certified Lender Program.*

(a) (No change.)

(b) A lender is eligible to participate as a certified lender under the Authority's Agricultural Loan Guarantee program if it has maintained a Master Lender Agreement in place with Authority and has had no defaults under any loans guaranteed by the Authority under the Program [its Agricultural Loan Guarantee program].

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

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

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Susan Maldonado

General Counsel

Texas Department of Agriculture

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SUBCHAPTER D. YOUNG FARMER INTEREST RATE REDUCTION PROGRAM RULES

4 TAC §§28.40 - 28.48

The rule amendments are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.40. *Authority.*

The Authority is authorized by Chapter 58 of the Code, Subchapter F, §§58.071 - 58.075 to promulgate rules and procedures to establish the [Young] Farmer Interest Rate Reduction Program.

§28.41. *Purpose.*

The purpose of the [Young] Farmer Interest Rate Reduction Program is to encourage private commercial loans and provide an economic benefit to [young] farmers for the purpose of creating or expanding an agricultural business in this state. These sections are adopted to provide standards of eligibility and procedures for participating in the interest rate reduction provided under the Act.

§28.42. *Definitions.*

In addition to the definitions set forth [out] in Texas Agriculture Code, §58.002 [Chapter 58], as amended, and §28.2 [in subchapter A] of this chapter (relating to Definitions [Financial Assistance Rules]), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) (No change.)

(2) [Eligible borrower--A person that is 18 years of age or older but younger than 46 years of age at the time of submitting a loan application and who is approved for participation in the program.]

[{(3)} Lender--A lending institution, as defined in Texas Agriculture Code, §58.002(8), which also includes institution of the Farm Credit System.

(3) Linked deposit--A time deposit governed by a written deposit agreement between the State [state] and the lender that provides that:

(A) (No change.)

(B) the State [state] does not withdraw any part of the deposit before the expiration of a period set by a written advance notice of the intention to withdraw; and

(C) the lender agrees to lend the value of the deposit to an eligible borrower at a rate not to exceed the linked deposit rate plus 1% [4%].

(4) Program--The [Young] Farmer Interest Rate Reduction Program.

§28.43. *Application Procedure for Applicant.*

(a) An applicant must comply with the following procedures to obtain approval of the application for participation in the Program [program]. An applicant shall submit a complete and accurate loan

application and any required credit documentation to the lender and an applicant shall supply all required documentation that the Authority requires to determine whether the applicant is qualified under the Act and this subchapter [these sections].

(b) (No change.)

§28.44. Application Procedure for Lender;

A lender must comply with the following procedures to obtain approval of an application for participation in the Program [program].

(1) A lender must be an eligible lending institution, as defined by the Act, to participate in the Program [program].

(2) A lender that is not an approved depository may obtain the appropriate designation by filing a state depository application with the Comptroller [comptroller].

(3) - (4) (No change.)

(5) A loan, while under the Program [program], shall be set at a rate of interest established according to the prescribed linked deposit formula under the Act. The linked deposit rate will be recalculated at the end of the fiscal biennium. The eligible borrower's loan rate shall not exceed the maximum rate permitted under the Act [the linked deposit rate plus 4.0%].

(6) (No change.)

(7) A lender shall estimate the proposed rate of interest to be charged the eligible borrower. The lender must certify via telephone, email, or other approved communication with the Comptroller [comptroller] at the time the loan is priced the actual rate of interest before issuance of the linked deposit. A copy of the certification of the eligible borrower's loan rate shall be sent to the Authority or the Administrator, as part of the compliance report. In no event shall the actual rate of interest exceed the maximum rate of interest allowable under the Act.

(8) - (9) (No change.)

(10) A lender shall notify the Authority in writing immediately upon a default and/or in the case of a prepayment or a principal reduction greater than \$10,000 [\$5,000] in any one calendar quarter of a loan under the Program [program].

(11) A lender shall comply with all terms and agreements set forth in the state depository handbook, state depository application, the linked deposit application, and any other agreements and representations made to the Authority and the Comptroller [comptroller], and all other terms and conditions of the loan, these rules, and the Act.

§28.45. Procedure for Review.

(a) Upon receipt of the application, staff shall review the application and determine:

(1) the current availability of funds under the Program [program];

(2) - (5) (No change.)

(b) (No change.)

(c) The Board [board] will approve or deny any and all applications under this chapter, provided that the Board [board] may delegate such authority to the Commissioner [commissioner] and/or the Deputy Commissioner [deputy commissioner].

(d) The staff shall retain a copy of the application and forward a duplicate copy of the application with the Authority's recommendation to the Comptroller [comptroller].

§28.46. Acceptance and Rejection Procedures.

(a) The Comptroller [comptroller] shall review completed applications from the Authority and notify the Authority of their decision to accept or deny the application.

(b) (No change.)

(c) The Comptroller [comptroller] will inform the lender of the amount of the required collateralization of the linked deposit. The Authority will forward written notice that the lender has requested funding to the Comptroller [comptroller]. The Comptroller [comptroller] will wire the linked deposit to the lender in immediately available funds the same day, provided written notice of funding of the loan is received by 9:00 a.m. The Comptroller [comptroller] will then provide the Authority confirmation of the linked deposit.

(d) The Comptroller [comptroller] shall determine the terms and conditions of the linked deposit once the maturity date is established (it cannot be set beyond the end of the biennium in which the linked deposit is placed), the applicable interest rate for the linked deposit can be determined by referring to the United States Treasury [treasury] bill or note section of the current issue of the Wall Street Journal corresponding with the day the loan is priced. The maturity date is matched to the closest treasury bill maturity. If longer than a year, it is matched to the treasury note with the maturity closest to the linked deposit maturity. In the case of a multiple maturity listing, the maturity with the lowest yield to arrive at the linked deposit rate should be used.

(e) An applicant may reapply for participation in the program after rejection of an application if the application complies with the standards set forth in this subchapter [these sections] and under the Act.

(f) (No change.)

(g) If a lender ceases to be a state depository, the Comptroller [comptroller] shall withdraw the linked deposits. If the lender, which has a linked deposit, is purchased by another lending institution, the linked deposit will be reissued to the purchasing institution. Should the linked deposit loan not be obtained by the purchasing institution, then the linked deposit will be returned to the Comptroller [comptroller]. The Authority and the Comptroller [comptroller] will allow the borrower 90 days to place the loan with another lender.

(h) A late payment on a loan by an eligible borrower does not affect the validity of the linked deposit through the period of the fiscal biennium. Should an eligible borrower default on a loan and the lender proceed with collection by foreclosure, the linked deposit must be returned to the Comptroller [comptroller].

§28.47. Use of Loan Proceeds.

(a) Loan proceeds under the Program [program] may be used for any agriculture-related operating expense, including the purchase or lease of land or fixed asset acquisition or improvement, or for any enterprise based on agriculture as identified in the application, but a loan under this program may be applied to existing debt only when required by the lender to finance the expansion of an eligible project.

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

§28.48. Program Limitations.

In addition to the limitations already set forth in these rules, the following limitations apply.

(1) Not more than that amount from the fund as determined by the Board [board] may be placed concurrently in linked deposits under the Act.

(2) The maximum amount of a loan under this Program [program] is \$1 million [\$500,000].

(3) All linked deposits placed under this Program shall expire upon expiration of the biennium; however, subject to legislative authorization and approval by the Authority and the Comptroller ~~[comptroller]~~, linked deposits that expired as a result of the expiration of the biennium may be renewed.

(4) The State ~~[state]~~ shall not be liable for any failure to comply with the terms and conditions of the loan, or any failure to make any payments or any other losses or expenses that occur directly or indirectly from the program.

(5) An applicant may have more than one application and linked deposit loan with the Program ~~[program]~~ provided that the total applications and total linked deposits approved do not exceed \$1 million ~~[\$500,000]~~.

(6) A person shall not receive approval of an application if a previous loan under the Program ~~[program]~~ is in default.

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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General Counsel

Texas Department of Agriculture

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SUBCHAPTER E. YOUNG FARMER GRANT PROGRAM RULES

4 TAC §§28.50 - 28.58

The rule amendments and new rules are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.50. Purpose.

The purpose of the program is to provide financial assistance in the form of ~~[matching]~~ grant funds to maintain agricultural businesses, maintain agricultural uses of land, or foster supply chain resiliency or create [young farmers for the purpose of creating] or expand [expanding] an agricultural business in this state. These sections are adopted to provide standards of eligibility and procedures for the grant program.

§28.51. Authority.

The ~~[Texas Agricultural Finance]~~ Authority is authorized by Chapter 58 of the Code, Subchapter G, §§58.091- 58.095 to promulgate rules and procedures to establish the Agriculture [Young Farmer] Grant Program.

§28.52. Definitions.

In addition to the definitions set forth in Texas Agriculture Code, §58.002, as amended, and §28.2 of this chapter (relating to Definitions), the ~~[The]~~ following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) (No change.)

(2) Grantee--A person or business awarded funds under this subchapter.

~~[(3) Matching Funds--Expenditures by the Grantee or made to sustain, create or expand the Grantee's agricultural business.]~~

(3) ~~[(4)]~~ Program--The Agriculture [Young Farmer] Grant Program as authorized by Subchapter G of the Texas Agriculture Code.

§28.53. Eligibility.

A person is eligible to receive an Agriculture [a Young Farmer] Grant if:

~~[(1) on the date the grant application is due the applicant is 18 years of age or older but younger than 46 years of age;]~~

(1) ~~[(2)]~~ the applicant is or will be involved in maintaining, creating or expanding an agricultural business, maintaining agriculture uses of land, or fostering supply chain resiliency in this state;

(2) ~~[(3)]~~ the applicant agrees to provide matching fund documentation; and

(3) ~~[(4)]~~ the applicant agrees to use funds for the purpose of maintaining, [either] creating or expanding an agricultural business, maintaining agriculture uses of land, or fostering supply chain resiliency in this state.

§28.54. Use of Grant Award.

Funds received under this subchapter may only be used for approved activities related to [creating or expanding] an agricultural business in Texas.

§28.55. Administration of Program.

(a) (No change.)

(b) The Board may create multiple grant opportunities under the Program to benefit subsectors of the agriculture industry.

(c) ~~[(b)]~~ The Board shall adopt selection criteria for the Program. The Board shall approve a form for use as the Program's grant application which shall indicate required information. The request for grant applications shall also state the selection criteria, due date, and estimated award date.

(d) ~~[(e)]~~ The Board shall determine grant cycles [set two periods] during each fiscal year in which the Authority will receive and approve grant applications. Notice of these grant periods will be posted on the Department's [department's] website.

§28.56. Use of Grant.

(a) Funds received under this subchapter may only be used for activities related to the specified purpose of the grant opportunity offered as part of the Agriculture Grant Program. The published request for grant applications will clearly identify the purpose of the grant and include information related to eligible and ineligible expenditures.

(b) Funds shall be distributed to selected applicants on a cost reimbursement basis in accordance with the grant agreement, unless the Board authorizes an advance payment.

§28.57. Filing Requirements; Consideration of Project Requests; Grant Awards Use of Grant.

(a) An applicant must submit an application in accordance with published Agriculture Grant Program guidelines outlined in the official request for grant applications.

(b) Eligible applicants shall submit a project request in the format prescribed by the Authority as part of the Agriculture Grant Program grant application and must describe the project activities to be carried out, propose budget expenditures, reflect an estimated timeline for completion of activities, and include any other information required by the Authority.

(c) Maximum award amounts for any grant opportunities shall be published in the request for grant applications for each Agriculture Grant Program grant cycle.

(d) The Authority may, in its sole discretion, decline to award any grants during an Agriculture Grant Program grant cycle.

§28.58. Reporting Requirements.

Grant recipients shall submit required reports in accordance with the Authority's procedures, and as specified in the grant agreement entered into by the Department and the grant recipient.

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

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Susan Maldonado

General Counsel

Texas Department of Agriculture

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SUBCHAPTER F. RULES FOR DEPOSITION AND REFUND OF ASSESSMENT FEES

4 TAC §§28.60 - 28.63

The rule amendments are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.60. Purpose and Application of Rules.

The purpose of this subchapter is to provide for the administration of the collection of assessments by county tax assessor-collectors as provided for in §502.404 of the Texas Transportation Code; and to provide for the remittance of such assessments to the comptroller for deposit in the Fund [Texas agricultural fund].

§28.61. Definitions.

In addition to the definitions set forth in Texas Agriculture Code, §58.002, as amended, and §28.2 of this chapter (relating to Definitions), the [The] following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Assessment--A voluntary fee paid on each commercial motor vehicle registered under the Texas Transportation Code, §502.404.

(2) (No change.)

§28.62. Collection of Funds by County Tax Assessor-Collector and Remittance to Comptroller.

(a) Each county tax assessor-collector shall collect the voluntary assessment required by the Texas Transportation Code, §502.404.

(b) Each county tax assessor-collector shall provide notice of the refund procedures defined in §28.63 of this subchapter [chapter] (relating to Refunding of Assessment) to persons paying an assessment at the time of payment.

(c) The assessments collected shall be remitted by each county tax assessor-collector to the Comptroller [comptroller], by way of the Authority, on a monthly basis due on or before the 15th of the following month.

(d) The assessments collected shall be remitted by check made payable to the "Texas Agricultural Finance Authority." [-] The remittance shall be mailed to the Authority at the post office box designated on the Remittance Advice form, and shall be deemed paid when deposited by the Comptroller [comptroller] in the Fund [Texas agricultural fund].

(e) The assessments shall be sent with two completed forms provided by the Authority: the Remittance Advice form [i] and the Detailed Report of Collections form.

§28.63. Refunding of Assessment.

(a) (No change.)

(b) The staff shall process the refund request. If all prerequisites have been met for payment of the refund, staff shall then forward to the Comptroller [comptroller] a voucher requesting payment of the refund. Upon receipt of the voucher, the Comptroller [comptroller] shall refund the assessment for which a request for refund is made.

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 G. RURAL ECONOMIC DEVELOPMENT FINANCE PROGRAM

4 TAC §§28.70 - 28.72, 28.74 - 28.78, 28.80, 28.83, 28.86, 28.87

The rule amendments are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority

to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.70. Authority.

The [Texas Agricultural Finance] Authority [(the Authority)] is authorized by §58.021 of the Texas Agriculture Code and by Article III, §49-f(g) of the Texas Constitution to design and implement programs to provide financial assistance to eligible agricultural businesses and other rural agriculture-related economic development projects and to issue general obligation bonds in the maximum principal amount of \$200 million outstanding at any one time for such programs. The proceeds of such bonds are required to be deposited in the [Texas Agricultural] Fund and may be used for the purposes provided by Article III, §49-i of the Texas Constitution and for other rural agriculture-related economic development programs. Proceeds of the bonds are to be administered in the same manner that proceeds of bonds issued under Article III, §49-i of the Texas Constitution are administered. Section 58.041 of the Texas Agriculture Code grants Texas Public Finance Authority the exclusive authority to act on behalf of the Authority in issuing debt instruments authorized to be issued by the Authority.

§28.71. Purpose.

The purpose of the Rural Agriculture Economic Development Finance Program (Program) is to provide financial assistance to eligible entities including agricultural businesses and other rural agriculture-related economic development projects. It is the policy of the board [Board of Directors of the Authority] to provide programs for providing financial assistance to eligible entities that the board considers to present a reasonable risk and have a sufficient likelihood of repayment. This subchapter establishes standards of eligibility and the application procedures for the Program.

§28.72. Definitions.

In addition to the definitions set forth in Texas Agriculture Code, §58.002, as amended, and §28.2 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--Any entity meeting the eligibility requirements in §28.75(a) of this subchapter (relating to Applicant and Minimum Project Eligibility Requirements), [recognized by state law to conduct business in the state of Texas including for-profit and non-profit entities, political subdivision, or economic development corporation] submitting an application with the Authority for [a] financial assistance under this subchapter.

(2) Commitment--Any form of financial assistance provided to an applicant as approved by the Board [board], including, but not limited to, a guaranty, a direct loan, a participation commitment, an anticipation note, or a conduit issuance for an [a political subdivision or any other] eligible entity as defined by this subchapter.

[(3) Economic Development Corporation (EDC)--An entity created pursuant to the Development Corporation Act of 1979, which gives cities the ability to raise funds and finance economic and community development efforts through the creation of economic development corporations (EDCs). Chapters 501, 504 and 505 of the Local Government Code define the scope of EDCs. A Type A EDC is governed by Chapter 504; and a Type B EDC is governed by Chapter 505.]

(3) [(4)] Eligible application--A completed application, including all application fees, documents, and information required by

the Authority and submitted by the lender or applicant for a project, that is consistent with the purpose of agricultural and rural agriculture-related economic development and meets the terms and benchmarks defined by the Authority's Credit Policy and Procedures. The Department, the Authority, or the Administrator [Authority's representative] will review the application and issue an approval or denial.

(4) [(5)] For-profit entity--An organization that is registered in the State [state of Texas] and has a principal place of business in the State [Texas], which operates with the intention of making a profit or whose efforts are made to obtain a profit.

(5) [(6)] Interest rate--The interest rate approved by the Authority for an approved commitment.

(6) [(7)] Lender--A lending institution, including a bank, trust company, banking association, savings bank, mortgage company, investment banker, credit union, Community Development Financial Institution, or any affiliate of those entities, and any other financial institution that customarily provides financing for agricultural businesses or rural economic development loans, or any affiliate of such institution that has sought and received approval to participate in the Program.

(7) [(8)] Non-profit entity--A local, community or regional organization that was formed and conducts its affairs to benefit the public or to assist other individuals, groups or causes, and can demonstrate its non-profit status by providing one of the following:

(A) - (B) (No change.)

(C) Documentation of its status as an educational institution recognized by the State [of Texas].

(8) [(9)] Political subdivision--A county, municipality, special district, school district, junior college district, housing authority, or other political subdivision of this state as defined by Chapter 172 of the Local Government Code, or a nonprofit corporation acting for or on behalf of any such entity.

(9) [(10)] Program--Rural Agriculture Economic Development Finance Program.

(10) [(11)] Project--An enterprise or project, which would further agricultural business or [the] rural agriculture-related economic development [of a rural area].

(11) [(12)] Recipient--an entity approved by the Authority or its designee to receive a commitment outlined in this subchapter.

(12) Rural agriculture-related economic development -- The development and diversification of the economy of a rural area of the state, the elimination of unemployment or underemployment of a rural area in the state, the stimulation of agricultural innovation, the fostering of the growth of enterprises based on agriculture, or the development or expansion of transportation or commerce of a rural area in the state.

[(13) Rural area--A rural area means an area which is predominantly rural in character; an unincorporated area or a city with a population under 50,000; or a county with a population under 200,000.]

[(14) Special purpose district--A political subdivision of Texas with geographic boundaries that define the subdivision's territorial jurisdiction, as described in Chapter 403, Texas Government Code.]

§28.74. Agriculture-Related [Agriculture and Community] Economic Development Loan.

(a) Purpose. The purpose of the Agriculture-Related [Agriculture and Community] Economic Development Loan is to provide financial assistance to Texas-based, agriculture-related

[private entities] with projects located in rural areas via an approved participating lender.

(b) Eligible Entities. An eligible agricultural business, a political subdivision or other [A private] for-profit or non-profit entity authorized to do business in the State [state of Texas], significantly impacting the agricultural industry and/or furthering rural agriculture-related economic development in Texas may apply for loan funds under this section.

(c) Use of Funds. Loans may be used for real estate purchases, building construction, site improvements, equipment, and any other uses that can be identified to positively impact the agricultural industry and/or improve or assist in the agriculture-related economic development of the rural area.

(d) - (e) (No change.)

§28.75. Applicant and Minimum Project Eligibility Requirements.

(a) (No change.)

(1) The applicant is an eligible agricultural business, a political subdivision or a legal for-profit or non-profit entity under the laws of the United States of America and the State [of Texas];

(2) The applicant has a principal place of business in the State [state];

(3) The applicant is an eligible entity pursuant to §28.74 [§§28.73 or 28.74] of this subchapter (relating to the Agriculture-Related [Texas Rural Community Loan and Agriculture and Community] Economic Development Loan);

(4) - (6) (No change.)

(7) The applicant has complied with State [state] law and Authority rules; and

(8) The applicant meets the criteria and guidelines in the Authority's Credit Policy [credit policy].

(b) Project. The project is an eligible project if it provides significant benefits to agricultural business [development] and/or rural agriculture-related economic development and is not considered an ineligible commitment as defined by §28.86 of this subchapter (relating to Prohibited Commitments).

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

§28.76. Application Filing Requirements and Application Review Processes.

(a) (No change.)

(b) Submission of a qualified application. Applicants are required to submit the application material to [Department] staff for presentation to the board.

(c) - (f) (No change.)

(g) Reporting to the Board [board]. Staff shall report to the board at each board meeting the status of all outstanding loans.

§28.77. Evaluation Criteria.

In evaluating applications for financial assistance under this subchapter, the Board [board] and staff shall consider at minimum:

(1) The anticipated benefits arising from the financial assistance to the applicant, including both the potential impact on agricultural development and rural agriculture-related economic development;

(2)- (7) (No change.)

§28.78. Contents of Eligible Application.

Required information. The eligible application must set forth the information necessary for the determination to provide a commitment by the Authority or the Authority's designee and will include all that is outlined and required in the application and at minimum:

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

(5) Detailed statement of project benefit and/or agriculture-related economic impact;

(6) Articles of incorporation and bylaws, or other founding documents, certificate of good standing with the secretary of state of the State, or other instruments that establish or describe the legal operation or structure of the applicant and/or the benefitting business, if applicable; and

(7) (No change.)

§28.80. General Terms and Conditions of the Authority's Commitment.

(a) - (d) (No change.)

(e) Maturity. The maturity of the commitment may not exceed thirty years, or the useful life of the collateral, whichever is less. The maturity shall be negotiated between the Authority, applicant, and participating lender, if applicable. For commitments secured by revenues, [including sales tax,] the amortization period is determined by the Debt Service Coverage Ratio and with consideration given to prior volatility in revenue [tax/revenue] collections. Financing terms are set forth in the Credit Policy and Procedures.

(f) - (h) (No change.)

§28.83. Collateral Administration.

(a) Except as otherwise provided by state law, by these rules or by resolution of the board, the staff, with approval of the commissioner, the deputy commissioner, or an official of the Department designated by the commissioner, shall have the authority to act on behalf of the Authority, without specific board approval, in regard to the collection, settlement and enforcement of each and every commitment under the program. Such authority shall include, without limitation, the actions required to be taken by the Authority under any loan agreement, any participation agreement and any other agreement entered into by the Authority concerning commitments provided by the Authority.

(b) (No change.)

(c) Nothing in this section shall prevent the staff or the commissioner [of agriculture], the deputy commissioner [of agriculture], or an [the] official of the Department [department] designated by the commissioner [of agriculture] from submitting any matter to the board for its consideration and approval.

§28.86. Prohibited Commitments.

Prohibited commitments under the Rural Agriculture Economic Development Finance Program include the following:

(1) - (6) (No change.)

§28.87. Ineligible Persons.

The following persons or entities are ineligible to receive financial assistance under the Rural Agriculture Economic Development Finance Program:

(1) - (17) (No change.)

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

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4 TAC §28.73

The repeal is proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.73. *Texas Rural Community Loan.*

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

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SUBCHAPTER H. PEST AND DISEASE CONTROL AND DEPREDACTION PROGRAM

4 TAC §§28.90 - 28.96

The new rules are proposed pursuant to Section 12.016 of the Texas Agriculture Code (Code), which authorizes the Department to adopt rules as necessary for the administration of its powers and duties under the Code, and Sections 58.022(1) and 58.023 of the Code, which further authorizes the Authority to adopt and enforce bylaws, rules, and procedures in order to carry out its functions under Chapter 58.

The statutory provisions affected by this proposal are those within Texas Agriculture Code, Chapter 58.

§28.90. *Statement of Purpose.*

The pest and disease control and depredation program is designed to implement agriculture-related pest, disease, or depredating animal control efforts and mitigate agriculture losses.

§28.91. *Definitions.*

In addition to the definitions set forth in Texas Agriculture Code, §58.002, as amended, and §28.2 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter,

shall have the following meanings, unless the context clearly indicates otherwise: Program--Pest and Disease Control and Depredation Program.

§28.92. *Administration.*

(a) The Staff, under direction of the Authority, shall administer the Program, subject to the availability of funds.

(b) The Board may create multiple grant opportunities under the Program to benefit subsectors of the agriculture industry.

(c) The Board shall adopt selection criteria for the Program. The Board shall approve a form for use as the Program's grant application which shall indicate required information. The request for grant applications shall also state the selection criteria, due date, and estimated award date.

§28.93. *Eligibility.*

Eligibility is limited to the following entities per §58.101 of the Texas Agriculture Code:

- (1) Texas Animal Health Commission;
- (2) Texas A&M AgriLife Extension Service; and
- (3) Texas A&M AgriLife Research.

§28.94. *Use of Grant.*

(a) Funds received under this subchapter may only be used for activities related to the specified purpose of the Program. The published request for grant applications will clearly identify the purpose of the grant and include information related to eligible and ineligible expenditures.

(b) Funds shall be distributed to selected applicants on a cost reimbursement basis in accordance with the grant agreement.

§28.95. *Filing Requirements; Consideration of Project Requests; Grant Awards Use of Grant.*

(a) An applicant must submit an application in accordance with published Program guidelines outlined in the official request for grant applications.

(b) Eligible applicants shall submit a project request in the prescribed format as part of the Program grant application and must describe the project activities to be carried out, propose budget expenditures, reflect an estimated timeline for completion of activities, and include any other information required by the Authority.

(c) Maximum grant amounts for individual awards shall be published in the request for grant applications for each Program grant cycle.

(d) The Authority may, in its sole discretion, decline to award any grants during a Program grant cycle.

§28.96. *Reporting Requirements.*

Grant recipients shall submit required reports in accordance with procedures, and as specified in the grant agreement entered into by the Department and the grant recipient.

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

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PART 2. TEXAS ANIMAL HEALTH COMMISSION

CHAPTER 51. ENTRY REQUIREMENTS

4 TAC §51.1

The Texas Animal Health Commission (Commission) proposes amendments to Title 4, Texas Administrative Code, Chapter 51 titled "Entry Requirements." Specifically, the Commission proposes amendments to §51.1 regarding Definitions.

BACKGROUND AND PURPOSE

The Texas Animal Health Commission proposes amendments to §51.1, concerning Definitions. The purpose of the amendments is to clarify requirements for dairy cattle and dairy crosses entering the state.

Commission rules set forth testing requirements for cattle entering the state. Specific tuberculosis testing requirements apply for dairy cattle. Commission staff responsible for permitting movement has noticed confusion surrounding the definition of dairy cattle and whether certain dairy crosses must be tested prior to entry.

Currently, Commission rules do not define dairy cattle. Staff relies on the USDA's definition when applying and explaining Commission rules. The USDA's definition states that all cattle, regardless of age or sex or current use, that are of a breed(s) or offspring of a breed used to produce milk or other dairy products for human consumption, including, but not limited to, Ayrshire, Brown Swiss, Holstein, Jersey, Guernsey, Milking Short-horn, and Red and Whites.

The proposed amendments would incorporate the USDA's definition into Commission rules to clarify the meaning of dairy cattle and ease confusion as to what testing requirements must be met prior to entry.

SECTION-BY-SECTION DISCUSSION

Section 51.1 includes definitions. The proposed amendments add a definition for "dairy cattle," adjust numbering, and make minor formatting changes.

FISCAL NOTE

Ms. Jeanine Coggeshall, General Counsel for the Texas Animal Health Commission, determined that for each year of the first five years that the rule is in effect, enforcing or administering the proposed rules does not have foreseeable implications relating to costs or revenues of state or local governments. Commission employees will administer and enforce these rules as part of their current job duties and resources. Ms. Coggeshall also determined for the same period that there is no estimated increase or loss in revenue to the state or local government as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT NOTE

Ms. Coggeshall determined that for each year of the first five years the rule is in effect, the anticipated public benefits are more accurate rule language and reduced confusion regarding entry requirements.

TAKINGS IMPACT ASSESSMENT

The Commission determined that the proposal does not restrict, limit, or impose a burden on an owner's rights to his or her private real property that would otherwise exist in the absence of government action. Therefore, the proposed rules are compliant with the Private Real Property Preservation Act in Texas Government Code §2007.043 and do not constitute a taking.

LOCAL EMPLOYMENT IMPACT STATEMENT

The Commission determined that the proposed rules would not impact local economies and, therefore, did not file a request for a local employment impact statement with the Texas Workforce Commission pursuant to Texas Government Code §2001.022.

REGULATORY ANALYSIS OF MAJOR ENVIRONMENTAL RULES

The Commission determined that this proposal is not a "major environmental rule" as defined by Government Code §2001.0225. "Major environmental rule" is defined to mean a rule the specific intent of which is to protect the environment or reduce risk to human health from environmental exposure and that may adversely affect, in a material way, the economy, a sector of the economy, productivity, competition, jobs, the environment or the public health and safety of a state or a sector of the state. This proposal is not specifically intended to protect the environment or reduce risks to human health from environmental exposure.

GOVERNMENT GROWTH IMPACT STATEMENT

In compliance with the requirements of Texas Government Code §2001.0221, the Commission prepared the following Government Growth Impact Statement. The Commission determined for each year of the first five years the proposed rules would be in effect, the proposed rules:

- Will not create or eliminate a government program;
- Will not require the creation or elimination of employee positions;
- Will result in no assumed change in future legislative appropriations;
- Will not affect fees paid to the Commission;
- Will not create new regulation;
- Will not change existing regulations;
- Will change the number of individuals subject to the rule; and
- Will not affect the state's economy.

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

Ms. Coggeshall also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities pursuant to Texas Government Code, Chapter 2006. The rules do not impose any additional costs on small businesses, micro-businesses, or rural communities that are required to comply with the rules.

COSTS TO REGULATED PERSONS

The proposed amendments to Chapter 51 do not impose additional costs on regulated persons and are designed to clarify entry requirements for dairy cattle. The proposed rules do not otherwise impose a direct cost on a regulated person, state agency, a special district, or a local government within the state.

PUBLIC COMMENT

Written comments regarding the proposed amendments may be submitted to Amanda Bernhard, Texas Animal Health Commission, 2105 Kramer Lane, Austin, Texas 78758, by fax at (512) 719-0719 or by e-mail to comments@tahc.texas.gov. To be considered, comments must be received no later than thirty (30) days from the date of publication of this proposal in the *Texas Register*. When faxing or emailing comments, please indicate "Comments on Proposed Rule-Chapter 51, Entry Requirements" in the subject line.

STATUTORY AUTHORITY

The amendments are proposed under the following statutory authority as found in Chapter 161 of the Texas Agriculture Code. The Commission is vested by statute, §161.041(a), with the requirement to protect all livestock, domestic animals, and domestic fowl from disease. The Commission is authorized, through §161.041(b), to act to eradicate or control any disease or agent of transmission for any disease that affects livestock.

Pursuant to §161.006, entitled "Documents to Accompany Shipment", if required that a certificate or permit accompany animals or commodities moved in this state, the document must be in the possession of the person in charge of the animals or commodities, if the movement is made by any other means.

Pursuant to §161.046, entitled "Rules", the Commission may adopt rules as necessary for the administration and enforcement of this chapter.

Pursuant to §161.048, entitled "Inspection of Shipment of Animals or Animal Products", the Commission may require testing, vaccination, or another epidemiologically sound procedure before or after animals are moved. An agent of the Commission is entitled to stop and inspect a shipment of animals or animal products being transported in this state in order to determine if the shipment originated from a quarantined area or herd; or determine if the shipment presents a danger to the public health or livestock industry through insect infestation or through a communicable or noncommunicable disease.

Pursuant to §161.054, titled "Regulation of Movement of Animals; Exception", the Commission, by rule, may regulate the movement of animals. The Commission may restrict the intrastate movement of animals even though the movement of the animals is unrestricted in interstate or international commerce. The Commission may require testing, vaccination, or another epidemiologically sound procedure before or after animals are moved. The Commission is authorized, through §161.054(b), to prohibit or regulate the movement of animals into a quarantined herd, premises, or area. The executive director of the Commission is authorized, through §161.054(d), to modify a restriction on animal movement, and may consider economic hardship.

Pursuant to §161.113, entitled "Testing or Treatment of Livestock", if the Commission requires testing or vaccination under this subchapter, the testing or vaccination must be performed by an accredited veterinarian or qualified person authorized by the commission. The state may not be required to pay the cost of fees charged for the testing or vaccination. The Commission

may require the owner or operator of a livestock market to furnish adequate equipment or facilities or have access to essential equipment or facilities within the immediate vicinity of the livestock market.

Pursuant to §161.114, entitled "Inspection of Livestock", an authorized inspector may examine livestock consigned to and delivered on the premises of a livestock market before the livestock are offered for sale. If the inspector considers it necessary, the inspector may have an animal tested or vaccinated. Any testing or vaccination must occur before the animal is removed from the livestock market.

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

§51.1. Definitions.

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

(1) Accredited veterinarian--A licensed veterinarian who is approved to perform specified functions required by cooperative state-federal disease control and eradication programs pursuant to Title 9 of the Code of Federal Regulations, Parts 160 and 161.

(2) Animal--Includes livestock, exotic livestock, domestic fowl, and exotic fowl.

(3) Assembly--Boarding stables, boarding pastures, breeding farms, parades, rodeos, roping events, trail rides, and training stables.

(4) Certificate of veterinary inspection--A document signed by an accredited veterinarian that shows the livestock, poultry, exotic livestock, or exotic fowl listed were inspected and subjected to tests, immunizations, and treatment as required by the commission. Certificates are valid for 30 days for all species.

(5) Cervidae--Deer, elk, moose, caribou and related species in the cervidae family, raised under confinement or agricultural conditions for the production of meat or other agricultural products or for sport or exhibition, and free-ranging cervidae when they are captured for any purpose.

(6) Commission--The Texas Animal Health Commission.

(7) Commuter Flock--A National Poultry Improvement Plan (pullorum-typhoid clean or equivalent) flock in good standing with operations in participating states that are under single ownership or management control whose normal operations require interstate movement of hatching eggs and/or baby poultry without change of ownership for purposes of hatching, feeding, rearing or breeding. The owner or representative of the company owning the flock and chief animal health officials of participating states of origin and destination must have entered into a signed "Commuter Poultry Flock Agreement."

(8) Commuter Cattle Herd--A herd of cattle located in two or more states that is documented as a valid ranching operation by those states in which the herd is located and which requires movement of cattle interstate from a farm of origin or returned interstate to a farm of origin in the course of normal ranching operations, without change of ownership, directly to or from another premise owned, leased, or rented by the same individual. An application for "commuter herd" status must be signed by the owner and approved by the states in which the herd is located. This status will continue until canceled by the owner or one of the signatory states.

(9) Commuter Swine Herd--A swine herd located in two or more states that is documented as a valid ranching operation by those states in which the herd is located and which requires movement of

swine interstate from a farm of origin or returned interstate to a farm of origin in the course of normal ranching operations, without change of ownership, directly to or from another premise owned, leased, or rented by the same individual. An application for "commuter herd" status must be signed by the owner and approved by the states in which the herd is located. This status will continue until canceled by the owner or one of the signatory states.

(10) ~~(10)~~ Dairy cattle--All cattle, regardless of age or sex or current use, that are of a breed(s) or offspring of a breed used to produce milk or other dairy products for human consumption, including, but not limited to, Ayrshire, Brown Swiss, Holstein, Jersey, Guernsey, Milking Shorthorn, and Red and Whites.

(11) ~~(11)~~ Directly--Moved in a means of conveyance, without stopping to unload while en route, except for stops of less than 24 hours to feed, water or rest the animals being moved, and with no commingling of animals at such stops.

(12) ~~(12)~~ Equine interstate passport--A document signed by an accredited veterinarian that shows the equine listed were inspected, subjected to tests, immunizations and treatment as required by the issuing state animal health agency, and contains a description of the equine listed. The passport is valid for six months when accompanied by proof of an official negative EIA test within the previous six months. Permanent individual animal identification in the form of a lip tattoo, brand or electronic implant is required for all equine approved for the equine interstate passport. This document is valid for equine entering from any state that has entered into a written agreement to reciprocate with Texas.

(13) ~~(13)~~ Equine identification card--A document signed by the owner and a brand inspector or authorized state animal regulatory agency representative that lists the animal's name and description and indicates the location of all identifying marks or brands. This document is valid for equine entering from any state which has entered into a written agreement to reciprocate with Texas.

(14) ~~(14)~~ Exotic livestock--Grass-eating or plant-eating, single-hooved or cloven-hooved mammals that are not indigenous to this state and are known as ungulates, including animals from the swine, horse, tapir, rhinoceros, elephant, deer, and antelope families.

(15) ~~(15)~~ Exotic fowl--Any avian species that is not indigenous to this state. The term includes ratites.

(16) ~~(16)~~ Federally Approved Livestock Market--A livestock market under State or Federal veterinary supervision where livestock are assembled and has been approved under Title 9 of the Code of Federal Regulation, Part 71, Section 71.20.

(17) ~~(17)~~ Livestock--Cattle, horses, mules, asses, sheep, goats, and hogs.

(18) ~~(18)~~ Official Identification--The identification of livestock and fowl by means of an official identification device, official eartag, registration tattoo, or registration brand, or any other method approved by the Commission and/or Administrator of the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) that provides unique identification for each animal.

(19) ~~(19)~~ Owner-shipper statement--A statement signed by the owner or shipper of the livestock being moved stating the location from which the animals are moved interstate; the destination of the animals; the number of the animals covered by the statement; the species of the animal covered; the name and address of the shipper; and the identification of each animal as required by the commission or the United States Department of Agriculture (USDA).

(20) ~~(20)~~ Permit--A document recognized by the commission with specified conditions relative to movement, testing and vaccinating of animals which is required to accompany the animals entering, leaving or moving within the State of Texas.

(A) "E" permit--Premovement authorization for entry of animals into the state by the commission. The "E" permit states the conditions under which movement may be made, and will provide any appropriate restrictions and test requirements after arrival. The permit is valid for 15 days.

(B) VS 1-27 (VS Form 1-27)--A premovement authorization for movement of animals to restricted designations.

(21) ~~(21)~~ Purebred registry association--A swine breed association formed and perpetuated for the maintenance of records of purebreeding of swine species for a specific breed whose characteristics are set forth in constitutions, by-laws, and other rules of the association.

(22) ~~(22)~~ Radio Frequency Identification Device (RFID)--Official individual animal identification with an identification device that utilizes radio frequency technology. The RFID devices include ear tags, boluses, implants (injected), and tag attachments (transponders that work in concert with ear tags).

(23) ~~(23)~~ Sponsor--An owner or person in charge of an exhibition, show or fair.

(24) ~~(24)~~ Trichomoniasis--A venereal disease of cattle caused by the organism *Trichomonas foetus* [*Trichomonas foetus*].

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 20, 2025.

TRD-202504266

Jeanine Coggeshall

General Counsel

Texas Animal Health Commission

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For further information, please call: (512) 839-0511

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 §2.2, §2.3

The Texas State Library and Archives Commission (commission) proposes amendments to 13 Texas Administrative Code, §2.2, Responsibilities of the Commission and the Director and Librarian, and §2.3, Procedures of Commission.

BACKGROUND. The commission proposes to amend §2.2 and §2.3 to increase the dollar threshold at which non-competitive

grants require formal commission approval from \$100,000 to \$250,000. This change reflects the evolving financial landscape in which the agency operates and promotes agency efficiency. This amendment would not change the commission's requirement to approve all competitive grants, regardless of dollar amount. Additionally, the commission proposes to amend a typo in §2.3 to ensure clarity and improve readability of the section.

The \$100,000 threshold was established in 1997 and has not been revisited in nearly three decades. During that time, both the cost of goods and services and the scope of agency non-competitive grant programs have expanded. Non-competitive grants do not involve the same level of evaluation and selection processes as competitive grants. Instead, these types of grants are generally available to any eligible applicant who submits a complete application. The commission adopted similar amendments to its rules related to contract approvals in June 2023, increasing the threshold from \$100,000 to a total contract value of \$1 million.

Increasing the approval threshold to \$250,000 will allow the commission to concentrate its time and oversight on higher-value non-competitive grants with greater fiscal impact, while enabling staff to process smaller, recurring awards more efficiently without the requirement of aligning the process with the commission's meeting schedule. In addition, non-competitive grants are often a means to allow for timely distribution of assistance in cases such as emergency support. Updating the threshold amount will allow for distribution of non-competitive grants in a timeline that can be responsive to local needs. The proposed amendments are intended to improve overall agency efficiency by streamlining approval procedures and ensuring the commission's review remains focused on matters of broader fiscal significance.

EXPLANATION OF PROPOSED AMENDMENTS.

The proposed amendment to §2.2(b)(4) increases the non-competitive grant threshold requiring commission approval from \$100,000 to \$250,000.

The proposed amendment to §2.3(c) corrects a typo by inserting a space between two words.

The proposed amendment to §2.3(k) makes a corresponding revision by replacing the reference to non-competitive grants of \$100,000 or more with \$250,000 or more.

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 greater agency efficiency and clarity in the commission's internal processes, allowing staff to manage a larger number of routine non-competitive grant approvals promptly. 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 not require an increase or decrease in fees paid to the commission.
5. The amendments will not create new regulations.
6. The amendments will modify an existing regulation.
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 Texas Government Code §441.002, which authorizes the commission to assign duties to the director and librarian and requires the commission to develop and implement policies that separate policy-making and management responsibilities, and under §441.006, which authorizes the commission to administer and approve state library grants.

§2.2. *Responsibilities of Commission and the Director and Librarian.*

(a) General Powers and Responsibilities. The commission is a seven-member citizen board appointed by the governor with the advice and consent of the senate. The agency is within the executive branch, but functions independently within its statutory authority to serve the long-term public interest.

(b) Powers and Responsibilities of the Commission. The commission is responsible for establishing the policy framework through which the Texas State Library carries out its statutory responsibilities. The commission governs the library through the director and librarian. The staff of the library receive direction from the commission through the director and librarian. Specifically, the commission:

(1) adopts administrative rules that guide the staff in administering library programs;

(2) approves strategic and operating plans and requests for appropriations;

(3) approves all contracts as specified in §2.77 of this subchapter (relating to Contract Approval Authority and Responsibilities);

(4) approves all competitive grants, and all other grants of \$250,000 [~~\$400,000~~] or more, made by the library;

(5) acknowledges acceptance of gifts, grants, or donations of \$500 or more that are in accord with the mission and purposes of the library;

(6) oversees operations of the library for integrity, effectiveness, and efficiency;

(7) acts as a final board of appeals for staff decisions or advisory board recommendations on grants, accreditation of libraries, certification of librarians, or other issues of concern to the public;

(8) selects the director and librarian and approves the selection of the assistant state librarian; and

(9) conducts a periodic performance review of the director and librarian.

(c) Powers and Responsibilities of the Director and Librarian. The director and librarian is responsible for the effective and efficient administration of the policies established by the commission. Specifically, the director and librarian:

(1) selects, organizes, and directs the staff of the library;

(2) establishes the operating budget for the library and allocates funds among strategies, programs, and projects within the limits of statutory authority and as set forth in the General Appropriations Acts of the legislature;

(3) approves expenditures of funds in accordance with law;

(4) represents the commission and reports on behalf of the commission to the governor, the legislature, the public, or other organized groups as required;

(5) reports in a timely manner all relevant information first to the chair and subsequently to all members of the commission, endeavoring to report to members of the commission in such a manner that the members are equally well informed on matters that concern the commission; and

(6) delegates his/her responsibilities to the assistant state librarian or other agency staff as appropriate.

§2.3. *Procedures of Commission.*

(a) Election of Officers. In accordance with statute, the chair of the commission is designated by the governor. The vice-chair is

elected by the members of the commission at the first meeting in even numbered years.

(b) Powers of the Chair. The chair shall call meetings of the commission, set the agenda for meetings of the commission, preside at meetings of the commission, and authenticate actions of the commission as necessary.

(c) Vice-Chair. The vice chair of [chair of] the commission exercises the powers and authority of the chair in the event of a vacancy, absence, or incapacity of the chair, including the authority to call a meeting, set the agenda, and act on behalf of the chair.

(d) Committees. The chair shall appoint an audit committee, consisting of three members of the commission, one to serve as chair. The audit committee will receive plans and reports from internal and external auditors, review and revise such plans and reports as needed, and recommend them to the commission for adoption and approval. The chair shall appoint such other committees of the commission as may be deemed necessary.

(e) Meetings. The commission shall have regularly scheduled meetings five times per year. The chair may call additional meetings of the commission as may be necessary, provided that adequate notice of such meetings shall be given in accordance with the Open Meetings Act (Government Code, Chapter 551). The chair shall call a special meeting of the commission upon written request by a majority of the members of the commission. Any regularly scheduled meeting of the commission may be canceled by the chair, provided that ten days notification is given to the members of the commission.

(f) Agenda. The chair shall establish the agenda for meetings of the commission with advice from other members and the director and librarian. Any person may request that an item be placed on the agenda of the next meeting of the commission by writing to the chair, with a copy to the director and librarian. Such item will be added to the agenda at the discretion of the chair, except that the chair will place on the agenda any item requested by a majority of the members of the commission. Notice and agenda of commission meetings shall be posted by the director and librarian in accordance with the Open Meetings Act.

(g) Transaction of Business. As defined in the Open Meetings Act, a majority of the members of the commission, or four members, shall constitute a quorum. Meetings of the commission are conducted in a manner that welcomes public participation and complies with the spirit of the Open Meetings Act. At each meeting of the commission the agenda shall include a period for public comment of up to five minutes per individual. Actions of the commission are approved by a majority of the members present and voting. Proxies are not allowed.

(h) Minutes of Meetings. The director and librarian shall prepare minutes of commission meetings and file copies with members of the commission, the Legislative Reference Library, and the state publications program of the Texas State Library. Any changes or subsequent corrections of minutes at a commission meeting shall be filed in the same manner.

(i) Establishing, Amending, or Rescinding Existing Policy. The commission fosters an open administrative process with full public participation in rule making through advance publication of all proposed rules in the *Texas Register*.

(j) Travel of Commission Members. Members of the commission are entitled to reimbursement for actual expenses incurred to attend meetings of the commission subject to any applicable limitation on reimbursement provided by the General Appropriations Act or other act of the legislature. The chair shall review and approve any claim for reimbursement of actual expenses reasonably incurred in connection with the performance of other services as a commission member,

subject to any applicable limitation on reimbursement provided by the General Appropriations Act or other act of the legislature.

(k) Grants. The commission delegates to the director and librarian its authority to approve all grants that are less than \$250,000 [~~\$100,000~~], except competitive grants.

(l) Gifts and Donations. The commission delegates to the director and librarian its authority to accept gifts, grants and donations of less than \$500 that are in accord with the mission and purposes of the commission. Any such gifts, grants or donations will be managed in accordance with principles of sound financial management and will be used for the purposes for which they are given.

(m) Advisory Committees. The chair may establish and appoint committees to assist the commission in their deliberations as needed and for the period required.

(n) Code of Conduct. Members of the commission and officers and employees of the agency will not solicit or accept any gift, favor, service, or thing of value that might reasonably tend to influence the member, officer, or employee in the discharge of official duties, or that the member, officer, or employee knows or should know is being offered with the intent of influencing the member's, officer's, or employee's official conduct. Members, officers, and employees of the commission will not accept employment, engage in a business or professional activity, or accept compensation that would:

(1) require or induce them to disclose confidential information acquired by virtue of official position;

(2) impair their independence of judgment in the performance of official duties; or

(3) create a conflict between their private interest and the public interest.

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 19, 2025.

TRD-202504246

Sarah Swanson

General Counsel

Texas State Library and Archives Commission

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 463-5460



13 TAC §2.56

The Texas State Library and Archives Commission (commission) proposes amendments to Texas Administrative Code, Title 13, Chapter 2, Subchapter A, §2.56, Training and Education of Staff.

BACKGROUND. Section 656.048 of the Government Code directs state agencies to adopt rules relating to the eligibility of the agency's administrators and employees for agency-supported training and education, as well as the obligations administrators and employees assume when receiving such training and education. Section 656.048 also directs state agencies to adopt rules requiring that before an administrator or employee of the agency may be reimbursed for a training or education program offered by an institution of higher education or private or independent institution of higher education, the executive head of the agency must authorize the tuition reimbursement payment.

The commission recently updated its tuition assistance program. As a result of these updates, the commission finds it necessary to update its rule regarding training and education of staff to ensure its policy and rule align. In addition, the current rule was adopted in 2001 with only minor non-substantive amendments since that time. Section 656.048 of the Government Code has been amended since 2001. Therefore, the commission also finds it necessary to update the rule in compliance with §656.048. Finally, the commission finds it necessary to update the rule language for readability and clarity.

EXPLANATION OF PROPOSED AMENDMENTS.

The proposed amendment to subsection (a) replaces existing language regarding the purpose of the agency's training and education program with broader language regarding the statutory authority for the program. The new subsection also adds language noting that the agency will develop policies for employee training and education. Greater details regarding the program will be available in the agency's policies.

Proposed new subsection (b) describes what the agency's training and education program may include: agency sponsored training, seminars and conferences, internet training, and tuition reimbursement. This list is not exhaustive of all possible training and education the agency may provide its employees but notes the most common.

A proposed amendment to subsection (e) adds that approval for participation in a training program is not automatic and may be subject to the availability of funds.

Proposed amendments to subsection (g) add an introductory clause to the existing obligations for employees on completion of training. Other proposed amendments to this subsection clarify existing language.

Proposed amendments to subsection (h) clarify the existing language regarding when an employee may be required to reimburse the agency for training the employee fails to attend.

Proposed amendments to subsection (i) delete references to "special training," and add a reference to the agency's Tuition Assistance Program. The proposed amendments also add the purpose of the agency's Tuition Assistance Program.

A proposed amendment deletes current subsection (i), as the content of this subsection is included within current subsection (b), which is proposed to be renumbered as subsection (c).

Proposed amendments to subsection (j) add specific references to the Tuition Assistance Program and add employee eligibility information.

Proposed amendments add subsection (k), which provides that an employee who wishes to participate in the Tuition Assistance Program must agree in writing to a one-year service commitment to the agency. Employees who do not complete their service commitment would be required to reimburse the agency for the amount of tuition reimbursements made to the employee.

Proposed new subsection (l) states the requirement that before a tuition reimbursement is made to an employee or administrator, the director and librarian must approve the payment.

Finally, amendments throughout update the numbering of the subsections due to the addition and deletion of subsections throughout the section.

FISCAL IMPACT. Gloria Meraz, Director and Librarian, has determined that for each of the first five years the proposed amend-

ments are in effect, there are no reasonably foreseeable fiscal implications for the state or local governments as a result of enforcing or administering these rules, as proposed. The rule impacts only commission employees.

PUBLIC BENEFIT AND COSTS. Ms. Meraz 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 rule regarding education and training of commission staff.

There are no anticipated economic costs to persons required to comply with the rule as proposed for amendment. Employee training and education is a benefit for commission staff.

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

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT STATEMENT. There will be 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 rule as proposed for amendment does 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 rule as proposed for amendment will be in effect, the commission has determined the following:

1. The rule as proposed for amendment will not create or eliminate a government program;
2. Implementation of the rule as proposed for amendment will not require the creation of new employee positions or the elimination of existing employee positions;
3. Implementation of the rule as proposed for amendment 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 a new rule;
6. The proposal will not expand, limit, or repeal an existing rule;
7. The proposal will not increase the number of individuals subject to the rule; and
8. The proposal will not affect the state's 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 rule as proposed for amendment does not constitute a taking under Government Code, §2007.043.

REQUEST FOR IMPACT INFORMATION. The commission requests, from any person required to comply with the rule

as proposed for amendment or any other interested person, information related to the cost, benefit, or effect of the rule as proposed for amendment, including any applicable data, research, or analysis. Please submit the requested information to rules@tsl.texas.gov 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, §656.048, which directs state agencies to adopt rules relating to the eligibility of the agency's administrators and employees for training and education supported by the agency and the obligations assumed by the administrators and employees on receiving the training and education, and to adopt rules requiring that before an administrator or employee of the agency may be reimbursed for a training or education program offered by an institution of higher education or private or independent institution of higher education, the executive head of the agency must authorize the tuition reimbursement payment.

CROSS REFERENCE TO STATUTE. Government Code, Chapter 441.

§2.56. Training and Education of Staff.

(a) The agency may provide training and education for its employees in accordance with Government Code, Chapter 656, Subchapters C and D. The agency will develop policies for training and education provided or funded by the agency under the training and education program.

[(a) The purposes of the agency's training program are all work-related, and include meeting technological or legal requirements, developing additional work skill capabilities, or increasing competence or performance. The agency's training program includes all education, workshops, seminars, and similar instruction.]

(b) The agency's employee training and education program may include, but is not limited to, the following:

- (1) agency sponsored training;
- (2) seminars and conferences;
- (3) internet training; and
- (4) tuition reimbursement.

(c) [(b)] The agency may provide training to any of its employees to enable them to perform their current duties more effectively. The agency may also provide training to selected employees to enable them to perform prospective duties needed by the agency.

(d) [(e)] The agency may require an employee to attend any necessary training program.

(e) [(d)] Employee training must be recommended by the division director and approved by the director and librarian or designee. Approval to participate in a training program is not automatic and may be subject to the availability of funds within a division's budget.

(f) [(e)] When training is approved, the agency will either pay the training costs or allow the employee's schedule to accommodate the training (by rearranging work hours or allowing the training to be taken as work time), or both.

(g) [(f)] Certain obligations may be required of employees on completion of training, including, but not limited to, the following:

(1) After attending training, an employee must submit a report of the training to the Human Resources Office of the agency within three working days; and [-]

(2) An [The] employee may be required to [must] make an oral or written presentation regarding information obtained from the training to other employees[-, if requested].

(h) [(g)] An employee who fails to complete [the] training the agency has paid for must reimburse the agency for the cost of the training, unless the employee failed to complete the training [except] for reasons beyond the employee's control.

(i) [(h)] The agency offers a Tuition Assistance Program to provide additional opportunities to enhance employee job skills and to retain a well-qualified, trained, professional workforce dedicated to the agency's mission. The Tuition Assistance Program includes [In this section, "special training" means] instruction, teaching, or other education received by a state employee that is not normally received by other state employees and that is designed to enhance the ability of the employee to perform the employee's job. [Special training does not include training required by either state or federal law or that is determined necessary by the agency and offered to all employees performing similar jobs. Special training does include a course of study at an institution of higher education.]

[(i)] The agency may provide special training to selected employees to enhance their ability to perform their current or prospective duties.-]

(j) Employees who wish to apply for the Tuition Assistance Program must receive approval for participation from their supervisor and human resources and complete the Tuition Assistance Application and Reimbursement form [must be recommended by their division director and approved by the assistant state librarian for special training]. To be eligible for participation in the Tuition Assistance Program, employees must:

(1) Be continuously employed by the agency for at least one year at the time of application;

(2) Maintain satisfactory job performance (or better) as documented in their current performance evaluation; and

(3) Have no disciplinary action during the six months prior to application.

(k) An employee participating in the Tuition Assistance Program must agree in writing, prior to beginning the coursework or examination, to a one-year service commitment to the agency. Employees who do not comply with the length of the service requirement must reimburse the agency for the amount of reimbursements received.

(l) A reimbursement to an employee or administrator for tuition under the provisions of Government Code, §656.047 must be approved by the director and librarian before the reimbursement is paid.

(m) [(k)] If an employee is to receive special training that will be paid by the agency, and during the training period the employee will not perform regular duties for three or more months as a result of the training, the employee must agree in writing to the requirements of Government Code §656.103 and §656.104.

[(l)] An employee may be released from these requirements if the commission in open meeting finds that such action is in the best interest of the agency, or because an extreme personal hardship would be suffered by the employee.-]

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 Swanson

General Counsel

Texas State Library and Archives Commission

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For further information, please call: (512) 463-5460



TITLE 16. ECONOMIC REGULATION

PART 3. TEXAS ALCOHOLIC BEVERAGE COMMISSION

CHAPTER 35. ENFORCEMENT

16 TAC §35.5, §35.6

The Texas Alcoholic Beverage Commission (TABC) proposes new 16 TAC §35.5, relating to Prohibited Sales of Consumable Hemp Products to Minors, and §35.6, relating to Mandatory Age Verification for Consumable Hemp Product Sales. The proposed rules implement Executive Order GA-56 (Sept. 10, 2025), which directs TABC to "immediately begin the rulemaking process to protect the public health, safety, and welfare by prohibiting the sale of hemp-derived products to a minor and requiring verification of the purchaser's age with government issued identification prior to completing the sale of any such product, on pain of cancellation of a permit, license, or registration issued by" TABC.

TABC previously adopted emergency rules to quickly implement the governor's executive order. See 50 TexReg 6577 (2025) (emerg. rules 16 Texas Administrative Code §§51.1, 51.2) (adopted Sep. 23, 2025) (Tex. Alco. Bev. Comm'n, Prohibited Sales of Consumable Hemp Products to Minors and Mandatory Age Verification for Consumable Hemp Product Sales). If ultimately adopted, the rules proposed now will replace the emergency rules. The proposed rules are similar to the emergency rules, but with some key changes: (1) internal citations within the proposed rules have been updated to account for the rules' placement within Chapter 35; (2) the proposed rules will allow TABC to suspend a license or permit as a sanction in certain instances, where the emergency rules only allowed TABC to cancel a license or permit for violations of the rules; (3) the proposed rules provide a licensee or permittee a defense to an enforcement action for failure to inspect proof of identification under §35.6 if the ultimate consumer or recipient of the CHP is 40 years of age or older; and (4) the proposed rules restrict when a license or permit holder may apply for any new TABC-issued license or permit if the holder's previous license or permit was cancelled under these rules.

The proposed rules are intended to prevent minors from accessing and using consumable hemp products (CHPs) that will negatively impact the health, general welfare, and public safety of minors in Texas. As noted in the emergency rule adoption order, TABC is directed to "supervise and regulate [its] licensees and permittees and their places of business in matters affecting the public." Tex. Alco. Bev. Code §5.33. And that "authority is not

limited to matters specifically mentioned in" the Alcoholic Beverage Code. *Id.* TABC must also ensure that the place and manner in which a permittee or licensee conducts its business is consistent with the general welfare, health, peace, morals, and safety of the people and the public sense of decency. *Id.* §11.61(b)(7), 61.71(a)(16).

CHP is defined by the Department of State Health Services (DSHS) as "[a]ny product processed or manufactured for consumption that contains hemp, including food, a drug, a device, and a cosmetic, as those terms are defined by Texas Health and Safety Code §431.002, but does not include any consumable hemp product containing a hemp seed, or hemp seed-derived ingredient being used in a manner that has been generally recognized as safe (GRAS) by the FDA." 25 TAC §300.101(8). CHP retailers must generally be registered with DSHS. Tex. Health & Safety Code §443.2025. TABC has learned that many of its licensed alcoholic beverage businesses engage in the retail sale of CHPs of varying types and potency, and many of those businesses allow minors to purchase those products. Additionally, consumer delivery and carrier permit holders also deliver CHPs to ultimate consumers who are minors. TABC believes that businesses providing CHPs to minors are operating in a manner that is detrimental to the general welfare, health, peace, morals, and safety of the people and the public sense of decency. To combat this conduct, TABC proposes these rules to: (1) prohibit a TABC licensee or permittee from selling, offering for sale, serving, or delivering CHPs to a person younger than 21 years of age; and (2) require a TABC licensee or permittee to inspect the identification of certain persons wanting to purchase or obtain CHPs to confirm their age.

Under the proposed rules, a license or permit holder will generally be held accountable if an employee or agent sells, offers to sell, serves, or delivers CHPs to a minor or fails to inspect the identification of certain persons purchasing or obtaining CHPs. These are strict liability rules, meaning a licensee or permittee may be held liable for a violation even though they lack a culpable mental state (*i.e.*, they may be held liable even though they did not act intentionally, knowingly, recklessly or negligently). However, under proposed rule §35.5(f), TABC will not hold a license or permit holder accountable for selling, offering to sell, serving, or delivering CHPs to a minor if the minor presents an apparently valid identification that complies with §35.6(a), the permittee or licensee inspects the identification as provided by §35.6(b), and the permittee or licensee reasonably concludes that the purchaser or recipient is at least 21 years of age. Additionally, it is a defense to any enforcement action under §35.6 if the ultimate consumer or recipient of the CHP is 40 years of age or older. This will allow licensees and permittees to forgo ID checks when the consumer or recipient is undoubtedly of age to purchase or receive CHPs.

These rules apply to retail CHP sales and deliveries, and when CHPs are otherwise provided to ultimate consumers (*e.g.*, providing samples). The rules do not apply to the sale and delivery of CHP between manufacturers, wholesalers, and retailers of CHPs.

A violation of §35.5 or §35.6 will result in the suspension or cancellation of the holder's TABC license or permit, depending on the number of previous violations of the respective rule. However, a first or second violation of §35.5 may still result in the cancellation of the license or permit if TABC believes cancellation is warranted based on the nature and seriousness of the violation. The license or permit holder will not be allowed to pay a

civil penalty in lieu of the license or permit suspension or cancellation. A violation of either rule relates to drugs, as contemplated by Alcoholic Beverage Code §11.64(a), thus TABC need not give the licensee or permittee the opportunity to pay a civil penalty in lieu of suspension or cancellation.

Additionally, if a license or permit is cancelled under §35.5, the license or permit holder, and certain other associated persons, will not be eligible for any new license or permit for five years from the date of cancellation. If a license or permit is cancelled under §35.6, the license or permit holder, and certain other associated persons, will not be eligible for any new license or permit for one year from the date of cancellation. TABC recognizes the severity of the sanctions imposed by these rules, but the agency believes a significant sanction is warranted in order to effectively prevent CHP sales to minors.

TABC presented the rules at a stakeholder meeting on October 9, 2025, and considered comments received from stakeholders in drafting the proposed rules.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed rules are in effect, there will not be a significant fiscal impact on state or local governments because of enforcing or administering the proposed rules. Mrs. Maceyra made this determination because the proposed rules do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed rules. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed rules are in effect, Mrs. Maceyra expects that enforcing or administering the proposed rules will have the public benefit of reducing minors' access to, and use of, CHPs and a corresponding reduction in the public harms associated with such use. See 50 TexReg 6578 (citing harms associated with CHP use by minors). Mrs. Maceyra believes the proposed rules may impose economic costs on those licensees and permittees that currently sell or deliver CHPs to minors. TABC is unable to calculate or estimate that cost because it does not know how many businesses sell or deliver CHPs to minors or the percentage of CHP sales that are currently attributable to minors.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TABC does not believe the proposed rules will have an adverse economic effect on rural communities, or on most small or micro businesses that sell CHPs. Some businesses voluntarily choose not to sell CHPs to minors. However, the proposed rules' prohibition on selling, serving, and delivering CHPs to minors may have an adverse economic effect on those small or micro businesses that would otherwise continue to sell, serve, or deliver CHPs to minors. TABC does not know how many small or micro businesses (that hold a TABC license or permit) sell, serve, or deliver CHPs to minors nor the percentage of the businesses' CHP sales that are attributable to minors, so it cannot determine or reasonably estimate the economic impact of the rules on such businesses. But even assuming there is an adverse impact, the agency is still not required to prepare a regulatory flexibility analysis under Government Code §2006.002(c) because any viable alternative regulatory method that would minimize the proposed rules' adverse impact on small or micro businesses would necessarily have to eliminate the prohibition on selling, serving, or delivering CHPs to minors for such businesses. An agency is not required to consider alternatives

that would not be protective of the health and safety of the state, §2006.002(c-1), and any alternative which restores CHP sales to minors is clearly not protective of the state's health and safety. See, e.g., The Governor of the State of Tex., Executive Order GA-56, (50 TexReg 6267) (2025).

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed rules are in effect, they:

- 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 new regulations;
- 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. TABC 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. TABC requests comments on the proposed rules from any person interested in the rules. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposed rules or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, January 4, 2026. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rules at 10:00 a.m. on December 11, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY. TABC proposes the new rules under Alcoholic Beverage Code §§5.31 and 5.33. Alcoholic Beverage Code §5.31 provides that "the commission may exercise all powers, duties, and functions conferred by this code, and all powers incidental, necessary, or convenient to the administration of this code," and further states that "it may prescribe and publish rules necessary to carry out the provisions of this code." Alcoholic Beverage Code §5.33 provides that "the commission shall supervise and regulate licensees and permittees and their places of business in matters affecting the public." And that "this authority is not limited to matters specifically mentioned in [the] code."

CROSS-REFERENCE TO STATUTE. The proposed rules implement Alcoholic Beverage Code §11.61(b)(7) and §61.71(a)(16).

§35.5. Prohibited Sales of Consumable Hemp Products to Minors.

(a) Definitions. In this section and §35.6 of this chapter:

(1) "Consumable hemp product" has the meaning assigned by 25 TAC §300.101 or a successor rule adopted by the Department of State Health Services;

(2) "Licensee" and "permittee" have the meaning assigned by Alcoholic Beverage Code §1.04; and

(3) "Minor" means a person under 21 years of age.

(b) A licensee or permittee violates Alcoholic Beverage Code §§11.61(b)(7) or 61.71(a)(16), as applicable, if the licensee or permittee sells, offers to sell, serves, or delivers a consumable hemp product to a minor.

(c) Notwithstanding Chapter 34 of this title, the commission shall impose the following sanctions for a violation of subsection (b) of this section:

(1) suspend for no less than 30 days or cancel the license or permit for a first violation;

(2) suspend for no less than 60 days or cancel the license or permit for a second violation; and

(3) cancel the license or permit for any subsequent violation.

(d) The licensee or permittee does not have the option to pay a civil penalty in lieu of suspension or cancellation under subsection (c) of this section.

(e) If a license or permit was cancelled under subsection (c) of this section, the following persons are not eligible to apply for, and may not be issued, any TABC-issued license or permit for a period of five years after cancellation:

(1) the license or permit holder;

(2) a person who held an interest in the license or permit;

(3) if the cancelled license or permit holder is a corporation, a person who held 50 percent or more of the stock, directly or indirectly, in the corporation;

(4) a corporation, if a person holding 50 percent or more of the corporation's stock, directly or indirectly, is disqualified from obtaining a license or permit under this subsection; and

(5) a person who resides with a person who is disqualified from obtaining a license or permit under this subsection.

(f) A licensee or permittee that sells, offers to sell, serves, or delivers a consumable hemp product to a minor does not violate subsection (b) of this section if the minor falsely claims to be 21 years of age or older, the permittee or licensee otherwise complies with §35.6 of this chapter, and the permittee or licensee reasonably believes the minor is actually 21 years of age or older.

§35.6. Mandatory Age Verification for Consumable Hemp Product Sales.

(a) Except as provided in subsection (c) of this section, a licensee or permittee may not sell, serve, or deliver a consumable hemp product to a person unless the person presents an apparently valid, unexpired proof of identification issued by a governmental agency that contains a physical description and photograph consistent with the person's appearance and that purports to establish that the person is 21 years of age or older.

(b) Except as provided by subsection (c) of this section, before completing the sale, service, or delivery of a consumable hemp product

to an ultimate consumer, a licensee or permittee shall verify that the purchaser or recipient is 21 years of age or older by carefully inspecting the provided proof of identification.

(c) It is a defense to an enforcement action under subsection (d) of this section that the ultimate consumer is 40 years of age or older.

(d) Notwithstanding Chapter 34 of this title, if a licensee or permittee fails to abide by the requirements of this section, the licensee or permittee violates Alcoholic Beverage Code §§11.61(b)(7) or 61.71(a)(16), as applicable, and the commission shall:

(1) suspend the license or permit for no less than seven days for a first violation;

(2) suspend the license or permit for no less than 14 days for a second violation;

(3) suspend the license or permit for no less than 30 days for a third violation; and

(4) cancel the license or permit for any subsequent violation.

(e) The licensee or permittee does not have the option to pay a civil penalty in lieu of suspension or cancellation under subsection (d) of this section.

(f) If a license or permit was cancelled under subsection (d) of this section, the following persons are not eligible to apply for, and may not be issued, any TABC-issued license or permit for a period of one year after cancellation:

(1) the license or permit holder;

(2) a person who held an interest in the license or permit;

(3) if the cancelled license or permit holder is a corporation, a person who held 50 percent or more of the stock, directly or indirectly, in the corporation;

(4) a corporation, if a person holding 50 percent or more of the corporation's stock, directly or indirectly, is disqualified from obtaining a license or permit under this subsection; and

(5) a person who resides with a person who is disqualified from obtaining a license or permit under this subsection.

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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Matthew Cherry

Senior Counsel

Texas Alcoholic Beverage Commission

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For further information, please call: (512) 206-3491



CHAPTER 41. AUDITING

The Texas Alcoholic Beverage Commission (TABC) proposes amendments to 16 TAC §41.37, relating to Destructions; §41.43, relating to Sale after Cancellation, Expiration, or Voluntary Suspension of License or Permit; §41.50, relating to General Provisions; §41.52, relating to Temporary Memberships; §41.53, relating to Pool Systems; and §41.65, relating to Contract Distilling

Arrangements and Distillery Alternating Proprietorships. TABC also proposes new 16 TAC §41.57, relating to Purchase of Certain Alcoholic Beverages, to be codified in Chapter 41, Subchapter E.

The proposed amendments and new rule fix clerical errors and provide non-substantive changes clarifying current agency practices. The proposed amendment to §41.37(a) removes a reference to a repealed statute. The proposed amendment to §41.43(a) removes the "in bulk" requirement for inventory sales when a license or permit is cancelled, expires, or is voluntarily suspended. Removal of this requirement aligns with current agency practices and is intended to provide flexibility to businesses disposing of their alcoholic beverage inventory when ceasing operations.

The proposed amendment to §41.50(b) corrects a previous clerical error. The proposed amendment to §41.52(b)(1) more accurately states the temporary membership card requirements for private club registration permit holders in Alcoholic Beverage Code §32.09. The proposed amendment to §41.53 repeals subsection (e), which will be moved to proposed new §41.57. New §41.57 reflects the current requirement in §41.53(e), but the text has been revised for clarity. Lastly, the proposed amendment to §41.65(e) clarifies that authorized wholesalers and carriers may pick up product directly from a contract distiller's facility.

TABC presented the proposed amendments at a stakeholder meeting on October 9, 2025, and considered comments received from stakeholders in drafting the proposed amendments.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed amendments and new rule are in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the amended and new rules. Mrs. Maceyra made this determination because the proposed amendments and new rule do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the amended and new rules. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments and new rule are in effect, Mrs. Maceyra expects that enforcing or administering the amended and new rules will have the public benefit of ensuring that the rules accurately reflect current agency practices, are worded in a clear manner, and provide clarity and efficiency for the regulated industry. Mrs. Maceyra does not expect the proposed amendments and new rule will impose economic costs on persons required to comply with them.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TABC has determined that the proposed amendments and new rule will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TABC is not required to prepare a regulatory flexibility analysis.

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed amendments and new rule are in effect, they:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;

- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create a new regulation;
- will expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TABC 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. TABC requests comments on the proposed amendments and new rule from any person interested in the amendments and new rule. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed amendments and new rule, including any applicable data, research, or analysis, from any person required to comply with the proposed amendments and new rule or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, January 4, 2026. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on December 11, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

SUBCHAPTER C. EXCISE TAXES

16 TAC §41.37

STATUTORY AUTHORITY. TABC proposes the amendments and new rule pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31, 14.10(e), 32.09, and 37.011(d). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Sections 14.10(e) and 37.011(d) direct the agency to "adopt rules regulating the shared use of [distillery] premises." Section 32.09 provides that "temporary memberships shall be governed by rules promulgated by the commission."

CROSS-REFERENCE TO STATUTE. The proposed amendment to §41.37 implements Alcoholic Beverage Code §§201.03, 201.04, and 203.01. The proposed amendment to §41.43 implements Alcoholic Beverage Code §5.31. The proposed amendment to §41.50 implements Alcoholic Beverage Code §32.13. The proposed amendment to §41.52 implements Alcoholic Beverage Code §32.09. The proposed amendment to §41.53 and new §41.57 implement Alcoholic Beverage Code §32.06. The proposed amendment to §41.65 implements Alcoholic Beverage Code §§14.10 and 37.011.

§41.37. *Destructions.*

(a) Each permittee subject to the provisions of Alcoholic Beverage Code §§201.03[~~5~~] or 201.04[~~5~~ or 201.42], and each licensee subject to the provisions of Alcoholic Beverage Code §203.01, is entitled to receive a tax exemption or a tax credit for alcoholic beverages destroyed in accordance with subsections (c) - (g) of this section.

(b) - (i) (No change.)

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

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Matthew Cherry

Senior Counsel

Texas Alcoholic Beverage Commission

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For further information, please call: (512) 206-3491



SUBCHAPTER D. SALES OF ALCOHOLIC BEVERAGES NOT IN REGULAR COURSE OF BUSINESS

16 TAC §41.43

The amendment is proposed pursuant to TABC's rulemaking authority under Alcoholic Beverage Code §5.31, which authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code.

CROSS-REFERENCE TO STATUTE. The proposed amendment to §41.37 implements Alcoholic Beverage Code §§201.03, 201.04, and 203.01. The proposed amendment to §41.43 implements Alcoholic Beverage Code §5.31. The proposed amendment to §41.50 implements Alcoholic Beverage Code §32.13. The proposed amendment to §41.52 implements Alcoholic Beverage Code §32.09. The proposed amendment to §41.53 and new §41.57 implement Alcoholic Beverage Code §32.06. The proposed amendment to §41.65 implements Alcoholic Beverage Code §§14.10 and 37.011.

§41.43. *Sale after Cancellation, Expiration, or Voluntary Suspension of License or Permit.*

(a) In the event any license or permit granted under the code is cancelled, expires, or is voluntarily suspended by the license or permit holder, the license or permit holder is authorized for 30 days thereafter to sell or dispose of its remaining inventory of alcoholic beverages on hand at the time of the license or permit cancellation, expiration, or voluntary suspension[~~5~~ in bulk] to a licensee or permittee authorized to purchase and sell same.

(b) - (h) (No change.)

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

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SUBCHAPTER E. PRIVATE CLUBS

16 TAC §§41.50, 41.52, 41.53, 41.57

The amendments and new rule are proposed pursuant to TABC's rulemaking authority under Alcoholic Beverage Code §§5.31 and 32.09. Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 32.09(d) provides that "temporary memberships shall be governed by rules promulgated by the commission."

CROSS-REFERENCE TO STATUTE. The proposed amendment to §41.37 implements Alcoholic Beverage Code §§201.03, 201.04, and 203.01. The proposed amendment to §41.43 implements Alcoholic Beverage Code §5.31. The proposed amendment to §41.50 implements Alcoholic Beverage Code §32.13. The proposed amendment to §41.52 implements Alcoholic Beverage Code §32.09. The proposed amendment to §41.53 and new §41.57 implement Alcoholic Beverage Code §32.06. The proposed amendment to §41.65 implements Alcoholic Beverage Code §§14.10 and 37.011.

§41.50. General Provisions.

(a) (No change.)

(b) **Digital Recordkeeping.** A club using a computer system to maintain its membership records is not [be] required to keep a well-bound book if such computer system provides the information as required by these rules.

§41.52. Temporary Memberships.

(a) (No change.)

(b) A holder of a private club registration permit shall:

(1) purchase, issue, and maintain a temporary membership card to any person who intends to be served alcoholic beverages on its licensed premises, except a person who is a member of the club or a guest of a member of the club, or, if the club is located in a hotel, a patron of the hotel who is at the hotel for overnight lodging and is a guest of the hotel manager who is a member of the club; and

(2) keep a record with entries made in chronological order showing the following about temporary membership cards issued: the date issued, the name of the person to whom the card was issued, and the serial number of the temporary membership card.

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

§41.53. Pool Systems.

(a) - (d) (No change.)

~~{(e) The holder of a private club registration permit or a private club exemption certificate permit may purchase wine only from the holder of a local distributor's permit.}~~

§41.57. Purchase of Certain Alcoholic Beverages.

The holder of a private club registration permit or private club exemption certificate operating under the pool system may only purchase distilled spirits and wine from the holder of a local distributor's permit.

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 G. OPERATING AGREEMENTS BETWEEN PERMIT AND LICENSE HOLDERS

16 TAC §41.65

The amendments are proposed pursuant to TABC's rulemaking authority under Alcoholic Beverage Code §§14.10(e) and 37.011(d), which direct the agency to "adopt rules regulating the shared use of [distillery] premises."

CROSS-REFERENCE TO STATUTE. The proposed amendment to §41.37 implements Alcoholic Beverage Code §§201.03, 201.04, and 203.01. The proposed amendment to §41.43 implements Alcoholic Beverage Code §5.31. The proposed amendment to §41.50 implements Alcoholic Beverage Code §32.13. The proposed amendment to §41.52 implements Alcoholic Beverage Code §32.09. The proposed amendment to §41.53 and new §41.57 implement Alcoholic Beverage Code §32.06. The proposed amendment to §41.65 implements Alcoholic Beverage Code §§14.10 and 37.011.

§41.65. Contract Distilling Arrangements and Distillery Alternating Proprietorships.

(a) - (d) (No change.)

(e) Pursuant to Alcoholic Beverage Code §§14.10(d) and 37.011(c), a distiller ("Distiller A") who manufactures, bottles, packages, or labels distilled spirits on behalf of another distiller ("Distiller B") or nonresident seller under a contract distilling arrangement may not consider the distilled spirits as being owned by Distiller A or sell those products on Distiller A's premises. A wholesaler or authorized carrier may, at the request of Distiller B or the nonresident seller, transport distilled spirits directly from Distiller A's premises for the purpose of resale to an authorized permittee or a qualified person outside this state.

(f) - (k) (No change.)

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

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CHAPTER 45. MARKETING PRACTICES

SUBCHAPTER G. REGULATION OF CASH AND CREDIT TRANSACTIONS

16 TAC §45.130, §45.131

The Texas Alcoholic Beverage Commission (TABC) proposes amendments to 16 TAC §45.130, relating to Credit Law and Delinquent List; and §45.131, relating to Cash Law. The proposed amendments make non-substantive and clarifying revisions reflecting current agency practices that were identified as part of the agency's quadrennial rule review. The proposed amendments also make fixes to previous clerical errors.

The proposed amendment to §45.130(b) more accurately lists the applicable permit types subject to Alcoholic Beverage Code §102.32, which governs liquor sales and credit restrictions between wholesalers and retailers. The proposed amendment to §45.130(c) adds identification stamps to the invoice requirement to better align with the recordkeeping requirements in Alcoholic Beverage Code §206.01. The proposed amendments to §45.130(d) clarify that the payment dates are calculated using business days to more accurately track the statutory text in Alcoholic Beverage Code §102.32. The proposed amendment to §45.130(h) codifies the long-standing practice that disputed delinquencies must be approved by the agency before a business is removed from the delinquent list.

The proposed amendment to §45.131(b) more accurately lists the applicable permit types subject to the requirements of Alcoholic Beverage Code §102.32. The proposed amendment to §45.131(c) fixes clerical errors in the current rule text.

TABC presented the proposed amendments at a stakeholder meeting on October 9, 2025, and considered comments received from stakeholders in drafting the proposed amendments.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed amendments are in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the amended rules. Mrs. Maceyra 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 amended rules. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Mrs. Maceyra expects that enforcing or administering the amended rules will have the public benefit of clarifying existing regulations and aligning the rules' requirements with current agency practices. Mrs. Maceyra does not expect the proposed amendments will impose economic costs on persons required to comply with the amended rules.

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

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed amendments are in effect, they:

- 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. TABC 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. TABC requests comments on the proposed amendments from any person interested in the amendments. Additionally, TABC 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. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, January 4, 2026. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on December 11, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY. TABC proposes the amendments pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31, 102.31(e), and 102.32(f). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Sections 102.31(e) and 102.32(f) direct the agency to adopt rules to effectuate the code's cash and credit law requirements.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §45.130 implement Alcoholic Beverage Code §102.32. The proposed amendments to §45.131 implement Alcoholic Beverage Code §102.31.

§45.130. Credit Law and Delinquent List.

(a) (No change.)

(b) Definitions. For purposes of this section, the following terms have the definitions given in this subsection.

(1) - (6) (No change.)

(7) Seller--As used in this section includes:

(A) the holder of a wholesaler's permit or a general class B wholesaler's permit

(B) the holder of a winery permit;

(C) the holder of a local distributor's permit when making a sale of an alcoholic beverage that is not the sale of a malt beverage to a mixed beverage permittee, private club registration permittee, private club exemption certificate permittee, or a nonprofit entity temporary event permittee; and

(D) the agents, servants and employees of a permit or license holder identified in subparagraphs (A) - (C) of this paragraph.

(c) Invoices.

(1) A delivery of alcoholic beverages by a Seller to a Retailer must be accompanied by an invoice of sale showing the name and permit number of the Seller and the Retailer, a full description of the alcoholic beverages, the TABC identification stamps issued, the price and terms of sale, and the place and date of delivery.

(2) - (4) (No change.)

(d) Late Payment Violation.

(1) A payment is late if it is not received by the Seller on or before the date that payment is due under §102.32(c) of the Code. If the Seller receives payment by mail within four business days from [of] the date [that] payment is due under §102.32(c) of the Code, the payment is not late.

(2) - (3) (No change.)

(4) A Retailer who violates this section shall be placed on the Delinquent List unless the delinquent account is paid within four business days from [of] the date [that] payment is due under §102.32(c) of the Code.

(5) (No change.)

(e) - (g) (No change.)

(h) Exception.

(1) A Retailer who wishes to dispute a violation of this section or inclusion on the commission's Delinquent List based on a good faith dispute between the Retailer and the Seller may submit a detailed electronic or paper written statement with the commission with an electronic or paper copy to the Seller explaining the basis of the dispute.

(2) The written statement must be submitted with documents and/or other records tending to support the Retailer's dispute, which may include:

(A) a copy of the front and back of the cancelled check of Retailer showing endorsement and deposit by Seller;

(B) bank statements [statement] or records [of bank] showing funds were available in the account of Retailer on the date the check was delivered to Seller; and

(C) bank statements [statement] or records showing:

(i) bank error or circumstances beyond the control of Retailer caused the check to be returned to Seller unpaid; or

(ii) the check cleared Retailer's account and funds were withdrawn from Retailer's account in the amount of the check.

(3) A disputed delinquent account will not be removed from the Delinquent List until documents and/or other records tending to support the Retailer's dispute are submitted to the commission and approved by the executive director or their designee.

(4) The Retailer must immediately submit an electronic notice of resolution of a dispute to the commission under this subsection.

(i) - (k) (No change.)

§45.131. *Cash Law.*

(a) (No change.)

(b) Definitions. For purposes of this section, the following terms have the meaning given in this subsection.

(1) - (6) (No change.)

(7) Seller--As used in this section means:

(A) the holder of a local distributor's permit when selling malt beverages to a mixed beverage permittee, private club registration permittee, private club exemption certificate permittee, or nonprofit entity temporary event permittee, or an agent, servant, or employee of a local distributor's permit holder when selling malt beverages to such permittees;

(B) the holder of a brewpub license when selling malt beverages to Retailers;

(C) the holder of a general or branch distributor's license;

(D) the holder of a brewer's self-distribution license under Chapter 62A of the Code; and

(E) the agents, servants, and employees of a license or permit holder identified in subparagraphs (A)-(D) of this paragraph when selling malt beverages to a Retailer.

(c) Invoices. A delivery of malt beverages by a Seller, to a Retailer, must be accompanied by an invoice of sale showing the name and permit number of the Seller and the Retailer, a full description of the malt beverages, the price, and the place and date of delivery.

(1) The Seller's copy of the invoice must be signed by the Retailer to verify receipt of the malt beverages and accuracy of the invoice, and by the Seller to acknowledge that payment was received on or before the delivery.

(2) - (3) (No change.)

(d) - (h) (No change.)

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

Filed with the Office of the Secretary of State on November 18, 2025.

TRD-202504214

Matthew Cherry

Senior Counsel

Texas Alcoholic Beverage Commission

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 206-3491

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TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 102. EDUCATIONAL PROGRAMS

SUBCHAPTER AA. COMMISSIONER'S RULES CONCERNING EARLY CHILDHOOD EDUCATION PROGRAMS

19 TAC §102.1003

The Texas Education Agency (TEA) proposes an amendment to §102.1003, concerning high-quality prekindergarten programs. The proposed amendment would add to the eligibility criteria for public prekindergarten and update requirements for teachers of prekindergarten classes provided by an entity with which a school district contracts to provide prekindergarten as required by House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025. The proposal would also make technical edits for clarification and to update the rule to align with updated prekindergarten guidelines and current best practices.

BACKGROUND INFORMATION AND JUSTIFICATION: Texas Education Code (TEC), §29.153(b), as amended by HB 2, 89th Texas Legislature, Regular Session, 2025, adds to the list of students who are eligible for free public prekindergarten the child of a person employed as a classroom teacher at a public primary or secondary school in the school district that offers a prekindergarten class under TEC, §29.153. HB 2 amended TEC, §29.167(b-1), to clarify that a teacher of a prekindergarten class provided by an entity with which a school district contracts to provide a prekindergarten program must either be certified or be supervised by a person who meets certification requirements and to clarify requirements for classrooms that serve emergent bilingual students. New TEC, §29.167(b-4), establishes that prekindergarten teacher and supervisor requirements outlined in TEC, §29.167(b-1) and (b-2), apply to any prekindergarten class provided by an entity with which a school district contracts to provide a prekindergarten program.

To implement HB 2, the following changes would be made.

The proposed amendment to §102.1003 would add an eighth eligibility criterion to the existing criteria for prekindergarten eligibility; clarify that the teacher requirements for classes provided by an entity with which a school district contracts to provide a prekindergarten program apply to programs serving eligible three and/or four year old students; and establish that a teacher of a bilingual or English as a second language program class provided by an entity with which a school district contracts to provide a prekindergarten program may be supervised by a person who is appropriately certified to provide effective instruction to emergent bilingual students if the person is not appropriately certified.

Additional technical edits would be made for clarification and to update the rule to align with updated prekindergarten guidelines and current best practices.

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

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

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

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

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

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would expand an existing regulation by adding options to the list of additional qualifications for prekindergarten program teachers; identifying specific requirements for teachers of prekindergarten classes provided by an entity with which a school district contracts to provide prekindergarten; expanding eligibility for public prekindergarten; and adding to requirements for family engagement.

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

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Martinez has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to implement the statutory requirements for teachers of prekindergarten classes provided by an entity with which a school district contracts to provide prekindergarten, clarify various components of the rule, and align with current best practice. There is no anticipated economic cost to persons who are required to comply with the proposal.

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

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

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins December 5, 2025, and ends January 5, 2025. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more

than 14 calendar days after notice of the proposal has been published in the *Texas Register* on December 5, 2025. A form for submitting public comments is available on the TEA website at [https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_\(TAC\)/Proposed_Commissioner_of_Education_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/).

STATUTORY AUTHORITY. The amendment is proposed under Texas Education Code (TEC), §29.153(b), as amended by House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025, which outlines the eligibility criteria for a child to be enrolled in a public prekindergarten class; TEC, §29.167(b-1), as amended by HB 2, 89th Texas Legislature, Regular Session, 2025, which outlines requirements for teachers of prekindergarten classes provided by entities with which a school district contracts to provide a prekindergarten program; and TEC, §29.167(b-4), as added by HB 2, 89th Texas Legislature, Regular Session, 2025, which establishes that prekindergarten teacher and supervisor requirements outlined in TEC, §29.167(b-1) and (b-2), apply to any prekindergarten class provided by an entity with which a school district contracts to provide a prekindergarten program under TEC, §29.153.

CROSS REFERENCE TO STATUTE. The amendment implements Texas Education Code (TEC), §29.153(b) and §29.167(b-1), as amended by House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025; and TEC, §29.167(b-4), as added by HB 2, 89th Texas Legislature, Regular Session, 2025.

§102.1003. High-Quality Prekindergarten Program.

(a) School districts and open-enrollment charter schools providing a prekindergarten program must provide high-quality educational services established under Texas Education Code (TEC), Chapter 29, Subchapter E-1, to qualifying students. A student is qualified to participate in a high-quality prekindergarten program if the student is four years of age on September 1 of the year the student begins the program and:

- (1) is unable to speak and comprehend the English language;
- (2) is educationally disadvantaged;
- (3) is a homeless child, as defined by 42 United States Code §11434a, regardless of the residence of the child, of either parent of the child, or of the child's guardian or other person having lawful control of the child;
- (4) is the child of an active duty member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who is ordered to active duty by proper authority;
- (5) is the child of a member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who was injured or killed while serving on active duty;
- (6) is or ever has been in the conservatorship of the Department of Family and Protective Services following an adversary hearing held as provided by Texas Family Code, §262.201, or foster care in another state or territory, if the child resides in Texas; [or]
- (7) is the child of a person eligible for the Star of Texas Award as:

(A) a peace officer under Texas Government Code, §3106.002;

(B) a firefighter under Texas Government Code, §3106.003; or

(C) an emergency medical first responder under Texas Government Code, §3106.004; or [;]

(8) is the child of a person employed as a classroom teacher at a public primary or secondary school in a school district that offers a prekindergarten class under TEC, §29.153.

(b) A school district or an open-enrollment charter school shall implement a curriculum for a high-quality prekindergarten program that addresses the Texas Prekindergarten Guidelines in the following domains:

- (1) social and emotional development;
- (2) emergent literacy language and communication;
- (3) emergent literacy reading;
- (4) emergent literacy writing;
- (5) mathematics;
- (6) science;
- (7) social studies;
- (8) fine arts;
- (9) physical development and health; and
- (10) technology.

(c) A school district or an open-enrollment charter school shall measure:

(1) at the beginning, middle, and end of the school year, the progress of each student in meeting the recommended end of prekindergarten year outcomes identified in the Texas Prekindergarten Guidelines using a progress monitoring tool included on the commissioner's list of approved prekindergarten instruments that measures:

- (A) social and emotional development, which may be referred to as "health and wellness" in a progress monitoring tool;
- (B) emergent literacy language and communication;
- (C) emergent literacy reading;
- (D) emergent literacy writing; and
- (E) mathematics; and

(2) the preparation of each student for kindergarten using a commissioner-approved multidimensional kindergarten instrument during the first 60 days of school for reading and at least three developmental skills, including literacy, as described in TEC, §28.006.

(d) Each teacher of record in a high-quality prekindergarten program class must be certified under TEC, Chapter 21, Subchapter B, and have one of the following additional qualifications:

- (1) a Child Development Associate (CDA) credential;
- (2) a certification offered through a training center accredited by Association Montessori Internationale or through the Montessori Accreditation Council for Teacher Education;
- (3) at least eight years' experience teaching in a nationally accredited child care program or a Texas Rising Star Program;
- (4) at minimum, an associate or baccalaureate degree in early childhood education or early childhood special education or a non-early childhood education degree with a documented minimum of 15 units of coursework in early childhood education;

(5) documented completion of the Texas School Ready Training Program (TSR Comprehensive); or

(6) be employed as a prekindergarten teacher in a school district that has ensured that:

(A) prior to assignment in a prekindergarten class, the teacher who provides prekindergarten instruction has completed at least 150 cumulative hours of documented professional development addressing the Texas Prekindergarten Guidelines in addition to other relevant topics related to high-quality prekindergarten over a consecutive five-year period;

(B) a teacher who has not completed training required in subparagraph (A) of this paragraph prior to assignment in a prekindergarten class completes:

(i) the first 30 hours of 150 cumulative hours of documented professional development before the beginning of the next school year. The professional development shall address topics relevant to high-quality prekindergarten and may include:

(I) the Texas Prekindergarten Guidelines;

(II) the use of student progress monitoring results to inform classroom instruction;

(III) improving the prekindergarten classroom environment to enhance student outcomes; and

(IV) improving the effectiveness of teacher interaction with students as determined by an evaluation tool; and

(ii) the additional hours in the subsequent four years in order to continue providing instruction in a high-quality prekindergarten classroom; and

(C) at least half of the hours required by subparagraph (A) or (B) of this paragraph include experiential learning, practical application, and direct interaction with specialists in early childhood education, mentors, or instructional coaches.

(e) Each teacher in a high-quality prekindergarten program class provided by an entity with which a school district contracts to provide a prekindergarten program serving eligible three and/or four-year-old students must be certified under TEC, Chapter 21, Subchapter B, to teach or supervised by a person who meets the requirements under subsection (d) of this section and must have one of the following additional qualifications:

(1) at least two years' experience teaching in a nationally accredited child care program or a Texas Rising Star Program and:

(A) a CDA credential or another early childhood education credential approved by the Texas Education Agency (TEA); or

(B) a certification offered through a training center accredited by Association Montessori Internationale or through the Montessori Accreditation Council for Teacher Education;

(2) at minimum, an associate or baccalaureate degree in early childhood education or early childhood special education or a non-early childhood education degree with a documented minimum of 15 units of coursework in early childhood education;

(3) at least eight years' experience teaching in a nationally accredited child care program or a Texas Rising Star Program; or

(4) be employed as a prekindergarten teacher in a partnership program that has ensured that:

(A) prior to assignment in a prekindergarten class, the teacher has completed at least 150 cumulative hours of documented

professional development addressing the Texas Prekindergarten Guidelines in addition to other relevant topics related to high-quality prekindergarten over a consecutive five-year period;

(B) a teacher who has not completed the training required in subparagraph (A) of this paragraph prior to assignment in a prekindergarten class completes:

(i) the first 30 hours of 150 cumulative hours of documented professional development before the beginning of the next school year. The professional development shall address topics relevant to high-quality prekindergarten and may include:

(I) the Texas Prekindergarten Guidelines;

(II) the use of student progress monitoring results to inform classroom instruction;

(III) improving the prekindergarten classroom environment to enhance student outcomes; and

(IV) improving the effectiveness of teacher interaction with students as determined by an evaluation tool; and

(ii) the additional hours in the subsequent four years in order to continue providing instruction in a high-quality prekindergarten classroom; and

(C) at least half of the hours required by subparagraph (A) or (B) of this paragraph include experiential learning, practical application, and direct interaction with specialists in early childhood education, mentors, or instructional coaches.

(f) A teacher of a bilingual or English as a second language (ESL) program class provided by an entity with which a school district contracts to provide a prekindergarten program must be appropriately certified for the grade and content and with the appropriate supplemental certification (either bilingual or ESL) or be supervised by a person who is appropriately certified to provide effective instruction to emergent bilingual students, as defined by TEC, §29.052, enrolled in the prekindergarten program.

(g) A prekindergarten partnership supervisor:

(1) shall meet the requirements under subsection (d) of this section;

(2) may supervise multiple prekindergarten classrooms; and

(3) shall ensure programmatic compliance and support classroom instruction, the developmental needs of students, and continuous quality improvement, including professional development

(h) A school district or an open-enrollment charter school shall develop, implement, and make available on the district, charter, or campus website by November 1 of each school year a family engagement plan to assist the district in achieving and maintaining high levels of family involvement and positive family attitudes toward education. The family engagement plan shall include a primary point of contact and contact information. An effective family engagement plan creates a foundation for the collaboration of mutual partners, embraces the individuality and uniqueness of families, and promotes a culture of learning that is child centered, age appropriate, and family driven.

(1) The following terms, when used in this section, shall have the following meanings.

(A) Family--Adults responsible for the child's care and children in the child's life who support the early learning and development of the child.

(B) Family engagement--The mutual responsibility of families, schools, and communities to build relationships to support student learning and achievement and to support family well-being and the continuous learning and development of children, families, and educators. Family engagement is fully integrated in the child's educational experience and supports the whole child and is both [culturally] responsive to a variety of backgrounds and linguistically appropriate.

(2) The family engagement plan shall:

(A) facilitate family-to-family support using strategies such as:

(i) creating a safe and respectful environment where families can learn from each other as individuals and in groups;

(ii) inviting former program participants, including families and community volunteers, to share their education and career experiences with current families; and

(iii) ensuring opportunities for continuous participation in events designed for families by families such as training on family leadership;

(B) establish a network of community resources using strategies such as:

(i) building strategic partnerships;

(ii) leveraging community resources;

(iii) monitoring and evaluating policies and practices to stimulate innovation and create learning pathways;

(iv) establishing and maintaining partnerships with businesses, faith-based organizations, and community agencies;

(v) identifying support from various agencies, including mental and physical health providers;

(vi) partnering with local community-based organizations and early learning programs to create a family-friendly transition plan for students arriving from early childhood settings;

(vii) providing and facilitating referrals to family support or educational groups based on family interests and needs;

(viii) communicating short- and long-term program goals to all stakeholders; and

(ix) identifying partners to provide translators and [culturally] relevant resources reflective of the home language;

(C) increase family participation in decision making using strategies such as:

(i) developing and supporting a family advisory council;

(ii) developing, adopting, and implementing identified goals within the annual campus/school improvement plan targeting family engagement;

(iii) developing and supporting leadership skills for family members and providing opportunities for families to advocate for their children/families;

(iv) collaborating with families to develop strategies to solve problems and serve as problem solvers;

(v) engaging families in shaping program activities and cultivating the expectation that information must flow in both directions to reflect two-way communication;

(vi) developing, in collaboration with families, clearly defined goals, outcomes, timelines, and strategies for assessing progress;

(vii) providing each family with an opportunity to review and provide input on program practices, policies, communications, and events in order to ensure the program is responsive to the needs of families; and

(viii) using appropriate tools such as surveys or focus groups to gather family feedback on the family engagement plan;

(D) equip families with tools to enhance and extend learning using strategies such as:

(i) providing families with updates at least three times a year that specify student progress in health and wellness, language and communication, emergent literacy reading, emergent literacy writing, and mathematics;

(ii) designing or implementing existing home educational resources to support learning at home while strengthening the family/school partnership;

(iii) providing families with information and/or training on creating a home learning environment connected to formal learning opportunities;

(iv) equipping families with resources and skills to support their children through the transition to school and offering opportunities for families and children to participate in parent/child learning sessions and visit the school in advance of the prekindergarten school year;

(v) providing complementary home learning activities for families to engage in at home with children through information presented in newsletters, online technology, social media, parent/family-teacher conferences, or other school- or center-related events;

(vi) providing families with information, best practices, and training related to age-appropriate developmental expectations;

(vii) emphasizing benefits of positive family practices such as attachment and nurturing that complement the stages of children's development;

(viii) collaborating with families to appropriately respond to children's behavior in a non-punitive, positive, and supportive way;

(ix) encouraging families to reflect on family experiences and practices in helping children; and

(x) assisting families to implement best practices that will help achieve the goals and objectives identified to meet the needs of the child and family;

(E) develop staff skills in evidence-based practices that support families in meeting their children's learning benchmarks using strategies such as:

(i) providing essential professional development for educators in understanding communication and engagement with families, including training on communicating with families in crisis;

(ii) promoting and developing family engagement as a core strategy to improve teaching and learning among all educators and staff; and

(iii) developing staff skills to support and use a variety of [culturally diverse, culturally] relevant [;] and [culturally] responsive family engagement strategies; and

(F) evaluate family engagement efforts and use evaluations for continuous improvement using strategies such as:

(i) conducting goal-oriented home visits to identify strengths, interests, and needs;

(ii) developing data collection systems to monitor family engagement and focusing on engagement of families from specific populations to narrow the achievement gap;

(iii) using data to ensure alignment between family engagement activities and district/school teaching and learning goals and to promote continuous family engagement;

(iv) ensuring an evaluation plan is an initial component that guides action;

(v) using a cyclical process to ensure evaluation results are used for continuous improvement and adjustment; and

(vi) ensuring teachers play a role in the family engagement evaluation process.

(i) In a format prescribed by TEA, a school district or an open-enrollment charter school shall:

(1) report the curriculum used in the high-quality prekindergarten program classes as required by subsection (b) of this section;

(2) report a description and the beginning- and end-of-year results of each commissioner-approved prekindergarten instrument used in the high-quality prekindergarten program classes as required by subsection (c) of this section;

(3) report:

(A) a description of each commissioner-approved multidimensional kindergarten readiness instrument used in the district or charter school to measure the effectiveness of the district's or charter school's high-quality prekindergarten program classes as required by subsection (c) of this section; and

(B) the results for at least 95% of the district's or charter school's kindergarten students on the commissioner-approved multidimensional kindergarten readiness instrument by the end of the TEA-determined assessment collection window;

(4) report additional teacher qualifications described in subsection (d) of this section;

(5) report the family engagement plan URL/website link described in subsection (h) of this section; and

(6) report the prekindergarten program evaluation type.

(j) A school district or an open-enrollment charter school shall:

(1) select and implement appropriate methods for evaluating the district's or charter school's high-quality prekindergarten program by using data from a student progress monitoring instrument from the commissioner's list of approved prekindergarten instruments;

(2) make data from the results of program evaluations available to parents; and

(3) plan for data-driven program improvements annually by using information from the district's or charter school's program evaluation to ensure the district's or charter school's prekindergarten program is meeting all high-quality prekindergarten indicators.

(k) A school district or an open-enrollment charter school must attempt to maintain an average ratio in any prekindergarten program

class of not less than one qualified teacher or teacher's aide for every 11 students.

(l) A school district or an open-enrollment charter school shall maintain locally and provide at TEA's request the necessary documentation to ensure fidelity of high-quality prekindergarten program implementation.

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 21, 2025.

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Cristina De La Fuente Valadez

Director, Rulemaking

Texas Education Agency

Earliest possible date of adoption: January 4, 2026

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



TITLE 22. EXAMINING BOARDS

PART 8. TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

CHAPTER 153. RULES RELATING TO PROVISIONS OF THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT

22 TAC §§153.13, 153.21, 153.40

The Texas Appraiser Licensing and Certification Board (TALCB) proposes amendments to 22 TAC §153.13, Education Required for Licensing, §153.21, Appraiser Trainees and Supervisory Appraisers, and §153.40, Approval of Continuing Education Providers and Courses.

The proposed amendments to §153.13 clarify courses that are acceptable by the Board to satisfy the education requirements for licensure. The proposed amendments to §153.21 clarify requirements related to supervisory appraisers and appraiser trainees, specifically, the amendments eliminate the requirement that the Appraiser Trainee/Supervisory Appraiser course be retaken by trainees and supervisory appraisers every four years, and that the course must be taken by an applicant prior to obtaining a trainee license. The proposed amendments to §156.40 clarify requirements related to the duration of approval of Board approved courses and approval requirements for providers.

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

Ms. Santos 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 accuracy and clarity in the rules.

Except as otherwise provided, for each year of the first five years the proposed new rule is in effect, the rule 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;

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 Board requests comments on the proposal, including information related to the cost, benefit, or effect of the proposal, 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.talcb.texas.gov/agency-information/rules-and-laws/comment-on-proposed-rules>, to Kathleen Santos, General Counsel, Texas Appraiser Licensing and Certification Board, P.O. Box 12188, Austin, Texas 78711-2188 or via email to general.counsel@talcb.texas.gov. The deadline for comments is 30 days after publication in the *Texas Register*.

The amendments are proposed under Texas Occupations Code §1103.151, which authorizes TALCB to adopt rules related certifying or licensing an appraiser or appraiser trainee and qualifying education and experience required for certifying or licensing an appraiser or appraiser trainee that are consistent with applicable federal law and guidelines recognized by the Appraiser Qualifications Board (AQB); §1103.152, which authorizes TALCB to prescribe qualifications for appraisers that are consistent with the qualifications established by the AQB, and §1103.153, which authorizes TALCB to adopt rules relating to the requirements for approval of a provider or course for qualifying or continuing education.

The statute affected by these amendments is Chapter 1103, Texas Occupations Code. No other statute, code or article is affected by the proposed amendments.

§153.13. Education Required for Licensing.

(a) Applicants for a license must meet all educational requirements established by the AQB.

(b) The Board may accept a course of study to satisfy educational requirements for licensing established by the Act or by this section if the Board or the AQB has approved the course and determined it to be a course related to real estate appraisal.

(c) The Board will approve courses for licensing upon a determination of the Board that:

(1) the subject matter of the course was appraisal related;

(2) the course was offered by an accredited college or university, or the course was approved by the AQB under its Real Estate Degree Review Program or its course approval process as a qualifying education course;

(3) the applicant obtained credit received in a classroom presentation the hours of instruction for which credit was given and successfully completed a final examination for course credit except as specified in subsection (i) of this section (relating to distance education); and

(4) unless the AQB allows for a different duration, the course was at least 15 classroom hours in duration, including time devoted to examinations that are considered to be part of the course.

(d) The Board may require an applicant to furnish materials such as course outlines, syllabi, course descriptions or official transcripts to verify course content or credit.

(e) Course providers may obtain prior approval of a course by using a process acceptable to the Board and submitting a letter indicating that the course has been approved by the AQB under its course approval process. Approval of a course based on AQB approval expires on the date the AQB approval expires and is automatically revoked upon revocation of the AQB approval.

(f) If the transcript reflects the actual hours of instruction the student received from an acceptable provider, the Board will accept classroom hour units of instruction as shown on the transcript or other document evidencing course credit. Fifteen classroom hours of credit may be awarded for one academic semester hour of credit.

(g) Distance education courses may be acceptable to meet the classroom hour requirement, or its equivalent, provided that the course is approved by the Board, that a minimum time equal to the number of hours of credit elapses from the date of course enrollment until its completion, and that the course meets the criteria listed in paragraph (1) or (2) of this subsection.

(1) The course must have been presented by an accredited college or university that offers distance education programs in other disciplines; and

(A) the person has successfully completed a written examination administered to the positively identified person at a location and proctored by an official approved by the college or university; and

(B) the content and length of the course must meet the requirements for real estate appraisal related courses established by this chapter and by the requirements for qualifying education established by the AQB and is equivalent to a minimum of 15 classroom hours, unless the AQB allows for a different duration.

(2) The course has received approval for academic credit or has been approved under the AQB Course Approval program; and

(A) the person successfully completes a written examination proctored by an official approved by the presenting entity;

(B) the course meets the requirements for qualifying education established by the AQB; and

(C) is equivalent to a minimum of fifteen classroom hours, unless the AQB allows for a different duration.

(h) "In-house" education and training is not acceptable for meeting the educational requirements for licensure.

(i) To meet the USPAP educational requirements, a course must:

(1) utilize the "National Uniform Standards of Professional Appraisal Practice (USPAP) Course" promulgated by the Appraisal Foundation, including the Student Manual and Instructor Manual; or

(2) be an equivalent USPAP course as determined by the AQB that:

(A) is devoted to the USPAP with a minimum of 15 classroom hours of instruction;

(B) uses the current edition of the USPAP promulgated by the ASB; and

(C) provides each student with his or her own permanent copy of the current edition of the USPAP promulgated by the ASB.

(j) Unless authorized by law, neither current members of the Board nor those Board staff engaged in the approval of courses or educational qualifications of applicants or license holders shall be eligible to teach or guest lecture as part of an education course approved for licensing.

(k) If the Board determines that a course no longer complies with the requirements for approval, it may suspend or revoke the approval. Proceedings to suspend or revoke approval of a course shall be conducted in accordance with the Board's disciplinary provisions for licenses.

§153.21. Appraiser Trainees and Supervisory Appraisers.

(a) Supervision of appraiser trainees required.

(1) An appraiser trainee may perform appraisals or appraiser services only under the active, personal and diligent direction and supervision of a supervisory appraiser.

(2) An appraiser trainee may be supervised by more than one supervisory appraiser.

(3) Number of Appraiser Trainees Supervised.

(A) Supervisory appraisers may supervise no more than three appraiser trainees at one time unless the requirements in subsection (a)(3)(B) of this section, are met;

(B) Supervisory appraisers may supervise up to five appraiser trainees at one time if:

(i) the supervisory appraiser has been licensed as a certified appraiser for more than five years;

(ii) the supervisory appraiser submits an application and a trainee supervision plan using a process acceptable to the Board, subject to approval by the Board. The supervision plan must include the supervisory appraiser's plan for progress monitoring of the trainees and detail how the supervisor intends to ensure active, personal, and diligent supervision of each trainee; and

(iii) the supervisory appraiser shall prepare and maintain regular trainee progress reports and make them available to the Board upon request until the trainee becomes certified or licensed or after two years have lapsed since supervising the trainee.

(4) A supervisory appraiser may be added during the term of an appraiser trainee's license if:

(A) The supervisory appraiser and appraiser trainee have provided proof to the Board of completion of an approved Appraiser Trainee/Supervisory Appraiser course using a process acceptable to the Board;

(B) an application to supervise has been received and approved by the Board; and

(C) the applicable fee has been paid.

(5) A licensed appraiser trainee who signs an appraisal report must include his or her license number and the word "Trainee" as part of the appraiser trainee's signature in the report.

(b) Eligibility requirements for appraiser trainee supervision.

(1) To be eligible to supervise an appraiser trainee, a certified appraiser must:

(A) be in good standing and not have had, within the last three years, disciplinary action affecting the certified appraiser's legal eligibility to engage in appraisal practice in any state including suspension, revocation, and surrender in lieu of discipline;

(B) complete an approved Appraiser Trainee/Supervisory Appraiser course. Completion of this course as a trainee or for the purpose of eligibility for a trainee license does not satisfy this requirement; and

(C) submit proof of course completion to the Board using a process acceptable to the Board.

(2) Before supervising an appraiser trainee, the supervisory appraiser must notify the appraiser trainee in writing of any disciplinary action taken against the supervisory appraiser within the last three years that did not affect the supervisory appraiser's eligibility to engage in appraisal practice.

(3) An application to supervise must be received and approved by the Board before supervision begins.

~~[(e) Maintaining eligibility to supervise appraiser trainees:]~~

~~[(1) A supervisory appraiser who wishes to continue to supervise appraiser trainees upon renewal of his/her license must complete an approved Appraiser Trainee/Supervisory Appraiser course within four years before the expiration date of the supervisory appraiser's current license and provide proof of completion to the Board using a process acceptable to the Board.]~~

~~[(2) If a supervisory appraiser has not provided proof of course completion at the time of renewal, but has met all other requirements for renewing the license the supervisory appraiser will no longer be eligible to supervise appraiser trainees; and the Board will take the following actions:]~~

~~[(A) the supervisory appraiser's license will be renewed on active status; and]~~

~~[(B) the license of any appraiser trainees supervised solely by that supervisory appraiser will be placed on inactive status.]~~

~~[(3) A certified appraiser may restore eligibility to supervise appraiser trainees by:]~~

~~[(A) completing the course required by this section; and]~~

~~[(B) submitting proof of course completion to the Board using a process acceptable to the Board.]~~

~~[(4) The supervisory appraiser's supervision of previously supervised appraiser trainees may be reinstated by:]~~

~~[(A) submitting a request using a process acceptable to the Board; and]~~

~~[(B) payment of any applicable fees.]~~

~~(c) [(d)] Maintaining eligibility to act as an appraiser trainee.~~

(1) Appraiser trainees must maintain an appraisal log and appraisal experience certifications using a process acceptable to the Board, for the license period being renewed. It is the responsibility of both the appraiser trainee and the supervisory appraiser to ensure the appraisal log is accurate, complete and signed by both parties at least quarterly or upon change in supervisory appraiser. The appraiser trainee will promptly provide copies of the experience logs and certifications to the Board upon request.

(2) An appraiser trainee must complete an approved Appraiser Trainee/Supervisory Appraiser course prior to obtaining a trainee [within four years before the expiration date of the appraiser trainee's current] license and provide proof of completion to the Board.

~~[(3) If an appraiser trainee has not provided proof of course completion at the time of renewal using a process acceptable to the Board, but has met all other requirements for renewing the license:]~~

~~[(A) the Board will renew the appraiser trainee's license on inactive status;]~~

~~[(B) the appraiser trainee will no longer be eligible to perform appraisals or appraisal services; and]~~

~~[(C) the appraiser trainee's relationship with any supervisory appraiser will be terminated.]~~

~~[(4) An appraiser trainee may return the appraiser trainee's license to active status by:]~~

~~[(A) completing the course required by this section;]~~

~~[(B) submitting proof of course completion to the Board using a process acceptable to the Board;]~~

~~[(C) submitting an application to return to active status, including an application to add a supervisory appraiser using a process acceptable to the Board; and]~~

~~[(D) paying any required fees.]~~

(d) [(e)] Duties of the supervisory appraiser.

(1) Supervisory appraisers are responsible to the public and to the Board for the conduct of the appraiser trainee under the Act.

(2) The supervisory appraiser assumes all the duties, responsibilities, and obligations of a supervisory appraiser as specified in these rules and must diligently supervise the appraiser trainee. Diligent supervision includes, but is not limited to, the following:

(A) direct supervision and training as necessary;

(B) ongoing training and supervision as necessary after the supervisory appraiser determines that the appraiser trainee no longer requires direct supervision;

(C) communication with and accessibility to the appraiser trainee; and

(D) review and quality control of the appraiser trainee's work.

(3) Supervisory appraisers must approve and sign the appraiser trainee's appraisal log at least quarterly and provide appraiser trainees with access to any appraisals and work files completed under the supervisory appraiser.

(4) After notice and hearing, the Board may reprimand a supervisory appraiser or may suspend or revoke a supervisory appraiser's license based on conduct by the appraiser trainee constituting a violation of the Act or Board rules.

(e) [(f)] Termination of supervision.

(1) Supervision may be terminated by the supervisory appraiser or the appraiser trainee.

(2) If supervision is terminated, the terminating party must:

(A) immediately notify the Board using a process acceptable to the Board; and

(B) notify the non-terminating party in writing no later than the 10th day after the date of termination; and

(C) pay any applicable fees no later than the 10th day after the date of termination.

(3) If an appraiser trainee is no longer under the supervision of a supervisory appraiser:

(A) the appraiser trainee may no longer perform the duties of an appraiser trainee; and

(B) is not eligible to perform those duties until:

(i) an application to supervise the trainee has been filed using a process acceptable to the Board;

(ii) any required fees have been paid; and

(iii) the Board has approved the application.

(f) [(g)] Course approval.

(1) To obtain Board approval of an Appraiser Trainee/Supervisory Appraiser course, a course provider must submit an application using a process acceptable to the Board.

(2) Approval of an Appraiser Trainee/Supervisory Appraiser course shall expire two years from the date of Board approval.

(3) An Appraiser Trainee/Supervisory Appraiser course may be delivered through:

(A) classroom delivery; or

(B) synchronous, asynchronous or hybrid distance education delivery. The course design and delivery mechanism for asynchronous distance education courses, including the asynchronous portion of hybrid courses must be approved by an AQB approved organization.

(g) [(h)] ACE credit.

(1) Supervisory appraisers who complete the Appraiser Trainee/Supervisory Appraiser course may receive ACE credit for the course.

(2) Appraiser Trainees may not receive qualifying or ACE credit for completing the Appraiser Trainee/Supervisory Appraiser course.

§153.40. Approval of Continuing Education Providers and Courses.

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

(1) Applicant--A person seeking accreditation or approval to be an appraiser continuing education (ACE) provider.

(2) ACE course--Any education course for which continuing education credit may be granted by the Board to a license holder.

(3) ACE provider--Any person approved by the Board; or specifically exempt by the Act, Chapter 1103, Texas Occupation Code, or Board rule; that offers a course for which continuing education credit may be granted by the Board to a license holder.

(4) Distance education course--A course offered in accordance with AQB criteria in which the instructor and students are geographically separated as defined by the AQB. Distance education includes synchronous delivery, when the instructor and student interact simultaneously online; asynchronous delivery, when the instructor and student interaction is non-simultaneous; and hybrid or blended course delivery that allows for both in-person and online interaction, either synchronous or asynchronous.

(5) Severe weather--Weather [weather] conditions, including but not limited to severe thunderstorms, tornados, hurricanes, snow

and ice, that pose risks to life or property and require intervention by government authorities and office or school closures.

(b) Approval of ACE Providers.

(1) A person seeking to offer ACE courses must:

(A) file an application using a process acceptable to the Board, with all required documentation;

(B) pay the required fees under §153.5 of this title; and

(C) maintain a fixed office in the state of Texas or designate a resident of this state as attorney-in-fact to accept service of process and act as custodian of any records in Texas which the continuing education provider is required to maintain by this subchapter.

(2) The Board may:

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

(B) terminate an application without further notice if the applicant fails to provide the additional information within 60 days from the Board's request.

(3) Exempt Providers. A unit of federal, state or local government may submit ACE course approvals without becoming an approved ACE provider.

(4) Standards for approval. To be approved by the Board to offer ACE courses, an applicant must satisfy the Board as to the applicant's ability to administer courses with competency, honesty, trustworthiness and integrity. If an applicant proposes to employ another person to manage the operation of the applicant, that person must meet this standard as if that person were the applicant.

(5) Approval notice. An applicant shall not act as or represent itself to be an approved ACE provider until the applicant has received written notice of the approval from the Board.

(6) Period of initial approval. The initial approval of a CE provider is valid for two years.

(7) Disapproval.

(A) If the Board determines that an applicant does not meet the standards for approval, the Board will provide written notice of disapproval to the applicant.

(B) The disapproval notice, applicant's request for a hearing on the disapproval, and any hearing are governed by the Administrative Procedure Act, Chapter 2001, Government Code, and Chapter 157 of this title. Venue for any hearing conducted under this section shall be in Travis County.

(8) Renewal.

(A) Not earlier than 90 days before the expiration of its current approval, an approved provider may apply for renewal for another two year period.

(B) Approval or disapproval of a renewal application shall be subject to the standards for initial applications for approval set out in this section.

(C) The Board may deny an application for renewal if the provider is in violation of a Board order.

(c) Application for approval of ACE courses. This subsection applies to appraiser education providers seeking to offer ACE courses.

(1) An applicant under this subsection must be approved by the Board as an ACE Provider.

(2) [(+)] For each ACE course an applicant intends to offer, the applicant must:

(A) file an application using a process acceptable to the Board, with all required documentation; and

(B) pay the fees required by §153.5 of this title.

(3) [(2)] An ACE provider may file a single application for an ACE course offered through multiple delivery methods.

(4) [(3)] An ACE provider who seeks approval of a new delivery method for a currently approved ACE course must submit a new application and pay all required fees.

(5) [(4)] The Board may:

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

(B) terminate an application without further notice if the applicant fails to provide the additional information within 60 days from the Board's request.

(6) [(5)] Standards for ACE course approval.

(A) To be approved as an ACE course by the Board, the course must:

(i) cover subject matter appropriate for appraiser continuing education as defined by the AQB;

(ii) submit a statement describing the objective of the course and the acceptable AQB topics covered;

(iii) be current and accurate; and

(iv) be at least two hours long.

(B) The course must be presented in full hourly units.

(C) The course must be delivered by one of the following delivery methods:

(i) classroom delivery; or

(ii) distance education.

(D) The course design and delivery mechanism for asynchronous distance education courses, including the asynchronous portion of hybrid courses must be approved by an AQB approved organization.

(7) [(6)] Approval notice.

[(A)] An ACE provider cannot offer or advertise that an ACE course is approved until the provider has received written notice of the approval from the Board.

(8) Period of Approval. Subject to subsection (c)(9) and (e)(3), an

[(B)] [(A)] ACE course expires two years from the date of approval. ACE providers must reapply and meet all current requirements of this section to offer the course for another two years.

(9) ACE course approval is automatically rescinded upon expiration of the ACE provider's approval.

(d) Approval of currently approved ACE course for a secondary provider.

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

(A) file an application using a process acceptable to the Board, with all required documentation;

(B) submit written authorization to the Board from the author or provider for whom the course was initially approved granting permission for the secondary provider to offer the course; and

(C) pay the fees required by §153.5 of this title.

(2) If approved to offer the currently approved course, the secondary provider must:

(A) offer the course as originally approved;

(B) assume the original expiration date;

(C) include any approved revisions;

(D) use all materials required for the course; and

(E) meet the requirements of subsection (j) of this section.

(e) Approval of ACE courses currently approved by the AQB or another state appraiser regulatory agency.

(1) To obtain Board approval of an ACE course currently approved by the AQB or another state appraiser regulatory agency, an ACE provider must:

(A) be currently approved by the Board as an ACE provider;

(B) file an application using a process acceptable to the Board, with all required documentation; and

(C) pay the course approval fee required by §153.5 of this title.

(2) If approved to offer the ACE course, the ACE provider must offer the course as approved by the AQB or other state appraiser regulatory agency, using all materials required for the course.

(3) Any course approval issued under this subsection expires the earlier of two years from the date of Board approval or the remaining term of approval granted by the AQB or other state appraiser regulatory agency.

(f) Approval of ACE courses for an [a 2-hour] in-person one-time offering.

(1) To obtain Board approval of an [a 2-hour] ACE course for an in-person one-time offering, an ACE provider must:

(A) be currently approved by the Board as an ACE provider;

(B) file an application using a process acceptable to the Board, with all required documentation; and

(C) pay the [one-time offering] course approval fee required by §153.5 of this title.

(2) Any course approved under this subsection is limited to the scheduled presentation date stated on the written notice of course approval issued by the Board.

(3) If a course approved under this subsection must be rescheduled due to circumstances beyond the provider's control, including severe weather or instructor illness, the Board may approve the revised course date if the provider:

(A) submits a request for revised course date using a process acceptable to the Board; and

(B) offers the course on the revised date in the same manner as it was originally approved.

(g) Application for approval to offer a 7-Hour National USPAP Update course or 7-Hour National USPAP Continuing Education course.

(1) To obtain approval to offer a 7-Hour National USPAP Update course or 7-Hour National USPAP Continuing Education course, the provider must:

(A) be approved by the Board as an ACE provider;

(B) file an application using a process acceptable to the Board, with all required documentation;

(C) submit written documentation to the Board demonstrating that the course and instructor are currently approved by the AQB;

(D) pay the course approval fee required by §153.5 of this title;

(E) use the current version of the USPAP; and

(F) ensure each student has access to his or her own electronic or paper copy of the current version of USPAP.

(2) Approved ACE providers of the 7-Hour National USPAP Update course or 7-Hour National USPAP Continuing Education course may include up to one additional classroom credit hour of supplemental Texas specific information. This may include topics such as the Act, Board rules, processes and procedures, enforcement issues or other topics deemed appropriate by the Board.

(h) Application for ACE course approval for a presentation by current Board members or staff. As authorized by law, current members of the Board and Board staff may teach or guest lecture as part of an approved ACE course. To obtain ACE course approval for a presentation by a Board member or staff, the provider must:

(1) file an application using a process acceptable to the Board, with all required documentation; and

(2) pay the fees required by §153.5 of this title.

(i) Responsibilities and Operations of ACE providers.

(1) ACE course examinations or course mechanism to demonstrate knowledge of the subject matter:

(A) are required for ACE distance education courses; and

(B) must comply with AQB requirements.

(2) Course evaluations. A provider shall provide each student enrolled in an ACE course a course evaluation form approved by the Board and a link to an online version of the evaluation form that a student may complete and submit to the provider after course completion.

(3) Course completion rosters.

(A) Classroom courses. Upon successful completion of an ACE classroom course, a provider shall submit to the Board a course completion roster in a format approved by the Board no later than the 10th day after the date a course is completed. The roster shall include:

(i) the provider's name and license number;

(ii) the instructor's name;

(iii) the course title;

(iv) the course approval number;

(v) the number of credit hours;

(vi) the date of issuance; and

(vii) the date the student started and completed the course.

(B) Distance education courses. A provider shall maintain a Distance Education Reporting Form and submit information contained in that form using a process acceptable to the Board for each student completing the course not earlier than the number of hours for course credit after a student starts the course and not later than the 10th day after the student completes the course.

(4) An ACE provider may withhold any official course completion documentation required by this subsection from a student until the student has fulfilled all financial obligations to the provider.

(5) Security and Maintenance of Records.

(A) An ACE provider shall maintain:

(i) adequate security against forgery for official completion documentation required by this subsection;

(ii) 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; and

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

(B) 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.

(C) Upon request, an ACE provider shall produce instructor and course evaluation forms for inspection by Board staff.

(6) Changes in Ownership or Operation of an approved ACE provider.

(A) An approved ACE provider shall notify ~~[obtain approval of]~~ the Board within [at least] 30 days [in advance] of any material change in the operation of the provider, including but not limited to changes in:

(i) ownership;

(ii) management; and

(iii) the location of main office and any other locations where courses are offered.

(B) An approved provider shall submit notice ~~[requesting approval]~~ of a change in ownership ~~[shall submit a request]~~ using a process acceptable to the Board for each ~~[proposed]~~ new owner who would holds ~~[hold]~~ at least a 10% interest in the provider.

(j) Non-compliance.

(1) If the Board determines that an ACE course or provider no longer complies with the requirements for approval, the Board may suspend or revoke approval for the ACE course or provider.

(2) Proceedings to suspend or revoke approval of an ACE course or provider shall be conducted in accordance with §153.41 of this title.

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

Filed with the Office of the Secretary of State on November 17, 2025.

TRD-202504185

Kathleen Santos

General Counsel

Texas Appraiser Licensing and Certification Board

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 936-3088

PART 34. TEXAS STATE BOARD OF SOCIAL WORKER EXAMINERS

CHAPTER 781. SOCIAL WORKER LICENSURE

SUBCHAPTER A. GENERAL PROVISIONS

22 TAC §781.102

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.102, relating to Definitions.

Overview and Explanation of the Proposed Rule. The proposed amendment will update language related to supervisors to remove terminology that suggests the Council approves individual supervision relationships and to align with changes proposed in other rules.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Ex-

ecutive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.102. Definitions.

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

(1) Accredited colleges or universities--An educational institution that is accredited by an accrediting agency recognized by the Council for Higher Education Accreditation, the Texas Higher Education Coordinating Board, or the United States Department of Education.

(2) Act--The Social Work Practice Act, Texas Occupations Code, Chapter 505, concerning the licensure and regulation of social workers.

(3) Agency--A public or private employer, contractor or business entity providing social work services.

(4) Assessment--An ongoing process of gathering information about and reaching an understanding of the client or client group's characteristics, perceived concerns and real problems, strengths and weaknesses, and opportunities and constraints; assessment may involve administering, scoring and interpreting instruments designed to measure factors about the client or client group.

(5) Association of Social Work Boards (ASWB)--The international organization which represents regulatory boards of social work and administers the national examinations utilized in the assessment for licensure.

(6) Board--Texas State Board of Social Worker Examiners.

(7) Case record--Any information related to a client and the services provided to that client, however recorded and stored.

(8) Client--An individual, family, couple, group or organization that receives social work services from a person identified as a social worker who is licensed by the Council.

(9) Clinical social work--A specialty within the practice of master social work that requires applying social work theory, knowledge, methods, ethics, and the professional use of self to restore or enhance social, psychosocial, or bio-psychosocial functioning of individuals, couples, families, groups, and/or persons who are adversely affected by social or psychosocial stress or health impairment. Clinical social work practice involves using specialized clinical knowledge and advanced clinical skills to assess, diagnose, and treat mental, emo-

tional, and behavioral disorders, conditions and addictions, including severe mental illness and serious emotional disturbances in adults, adolescents and children. Treatment methods may include, but are not limited to, providing individual, marital, couple, family, and group psychotherapy. Clinical social workers are qualified and authorized to use the Diagnostic and Statistical Manual of Mental Disorders (DSM), the International Classification of Diseases (ICD), Current Procedural Terminology (CPT) codes, and other diagnostic classification systems in assessment, diagnosis, and other practice activities. The practice of clinical social work is restricted to either a Licensed Clinical Social Worker, or a Licensed Master Social Worker under clinical supervision in employment or under a clinical supervision plan.

(10) Confidential information--Individually identifiable information relating to a client, including the client's identity, demographic information, physical or mental health condition, the services the client received, and payment for past, present, or future services the client received or will receive. Confidentiality is limited in cases where the law requires mandated reporting, where third persons have legal rights to the information, and where clients grant permission to share confidential information.

(11) Conditions of exchange--Setting reimbursement rates or fee structures, as well as business rules or policies involving issues such as setting and cancelling appointments, maintaining office hours, and managing insurance claims.

(12) Counseling, clinical--The use of clinical social work to assist individuals, couples, families or groups in learning to solve problems and make decisions about personal, health, social, educational, vocational, financial, and other interpersonal concerns.

(13) Counseling, supportive--The methods used to help individuals create and maintain adaptive patterns. Such methods may include, but are not limited to, building community resources and networks, linking clients with services and resources, educating clients and informing the public, helping clients identify and build strengths, leading community groups, and providing reassurance and support.

(14) Council--The [the] Texas Behavioral Health Executive Council.

(15) Consultation--Providing advice, opinions and conferring with other professionals regarding social work practice.

(16) Continuing education--Education or training aimed at maintaining, improving, or enhancing social work practice.

(17) Council on Social Work Education (CSWE)--The national organization that accredits social work education schools and programs.

(18) Direct practice--Providing social work services through personal contact and immediate influence to help clients achieve goals.

(19) Dual or multiple relationship--A relationship that occurs when social workers interact with clients in more than one capacity, whether it be before, during, or after the professional, social, or business relationship. Dual or multiple relationships can occur simultaneously or consecutively.

(20) Electronic practice--Interactive social work practice that is aided by or achieved through technological methods, such as the web, the Internet, social media, electronic chat groups, interactive TV, list serves, cell phones, telephones, faxes, and other emerging technology.

(21) Examination--A standardized test or examination, approved by the Council, which measures an individual's social work knowledge, skills and abilities.

(22) Equivalent or substantially equivalent--[-]a licensing standard or requirement for an out-of-state license that is equal to or greater than a Texas licensure requirement shall be deemed equivalent or substantially equivalent.

(23) Executive Director--[-]the executive director for the Texas Behavioral Health Executive Council. The executive director may delegate responsibilities to other staff members.

(24) Exploitation--Using a pattern, practice or scheme of conduct that can reasonably be construed as primarily meeting the licensee's needs or benefitting the licensee rather than being in the best interest of the client. Exploitation involves the professional taking advantage of the inherently unequal power differential between client and professional. Exploitation also includes behavior at the expense of another practitioner. Exploitation may involve financial, business, emotional, sexual, verbal, religious and/or relational forms.

(25) Field placement--A formal, supervised, planned, and evaluated experience in a professional setting under the auspices of a CSWE-accredited social work program and meeting CSWE standards.

(26) Fraud--A social worker's misrepresentation or omission about qualifications, services, finances, or related activities or information, or as defined by the Texas Penal Code or by other state or federal law.

(27) Full-time experience--Providing social work services thirty or more hours per week.

(28) Group supervision for licensure or for specialty recognition--Providing supervision to a minimum of two and a maximum of six supervisees in a designated supervision session.

(29) Health care professional--A licensee or any other person licensed, certified, or registered by the State of Texas in a health related profession.

(30) Impaired professional--A licensee whose ability to perform social work services is impaired by the licensee's physical health, mental health, or by medication, drugs or alcohol.

(31) Independent clinical practice--The practice of clinical social work in which the social worker, after having completed all requirements for clinical licensure, assumes responsibility and accountability for the nature and quality of client services, pro bono or in exchange for direct payment or third party reimbursement. Independent clinical social work occurs in independent settings.

(32) Independent non-clinical practice--The unsupervised practice of non-clinical social work outside of an organizational setting, in which the social worker, after having completed all requirements for independent non-clinical practice recognition, assumes responsibility and accountability for the nature and quality of client services, pro bono or in exchange for direct payment or third party reimbursement.

(33) Independent Practice Recognition--A specialty recognition related to unsupervised non-clinical social work at the LBSW or LMSW category of licensure, which denotes that the licensee has earned the specialty recognition, commonly called IPR, by successfully completing additional supervision which enhances skills in providing independent non-clinical social work.

(34) Individual supervision for licensure or specialty recognition--Supervision for professional development provided to one supervisee during the designated supervision session.

(35) LBSW--Licensed Baccalaureate Social Worker.

(36) LCSW--Licensed Clinical Social Worker.

(37) License--A regular or temporary Council-issued license, including LBSW, LMSW, and LCSW. Some licenses may carry an additional specialty recognition, such as LMSW-AP, LBSW-IPR, or LMSW-IPR.

(38) Licensee--A person licensed by the Council to practice social work.

(39) LMSW--Licensed Master Social Worker.

(40) LMSW-AP--Licensed Master Social Worker with the Advanced Practitioner specialty recognition for non-clinical practice. This specialty recognition will no longer be conferred after September 1, 2017. Licensees under a supervision plan for this specialty recognition before September 1, 2017 will be permitted to complete supervision and examination for this specialty recognition.

(41) Non-clinical social work--Professional social work which incorporates non-clinical work with individuals, families, groups, communities, and social systems which may involve locating resources, negotiating and advocating on behalf of clients or client groups, administering programs and agencies, community organizing, teaching, researching, providing employment or professional development non-clinical supervision, developing and analyzing policy, fund-raising, and other non-clinical activities.

(42) Person--An individual, corporation, partnership, or other legal entity.

(43) Psychotherapy--Treatment in which a qualified social worker uses a specialized, formal interaction with an individual, couple, family, or group by establishing and maintaining a therapeutic relationship to understand and intervene in intrapersonal, interpersonal and psychosocial dynamics; and to diagnose and treat mental, emotional, and behavioral disorders and addictions.

(44) Recognition--Authorization from the Council to engage in the independent or specialty practice of social work services.

(45) Rules--Provisions of this chapter specifying how the Council implements the Act as well as Title 22, Chapters 881-885 of the Texas Administrative Code.

(46) Social work case management--Using a bio-psychosocial perspective to assess, evaluate, implement, monitor and advocate for services on behalf of and in collaboration with the identified client or client group.

(47) Social worker--A person licensed under the Act.

(48) Social work practice--Services which an employee, independent practitioner, consultant, or volunteer provides for compensation or pro bono to effect changes in human behavior, a person's emotional responses, interpersonal relationships, and the social conditions of individuals, families, groups, organizations, and communities. Social work practice is guided by specialized knowledge, acquired through formal social work education. Social workers specialize in understanding how humans develop and behave within social environments, and in using methods to enhance the functioning of individuals, families, groups, communities, and organizations. Social work practice involves the disciplined application of social work values, principles, and methods including, but not limited to, psychotherapy; marriage, family, and couples intervention; group therapy and group work; mediation; case management; supervision and administration of social work services and programs; counseling; assessment, diagnosis, treatment; policy analysis and development; research; advocacy for vulnerable groups; social work education; and evaluation.

(49) Supervisor[; Council-approved]--A person who holds a social work license with the Council and has received recognition of supervisor status to provide supervision in Texas. [meeting the requirements set out in §781.402 of this title (relating to Clinical Supervision for LCSW and Non-Clinical Supervision for Independent Practice Recognition); to supervise a licensee towards the LCSW, Independent Practice Recognition; or as a result of a Council order.] A Council-licensed [approved] supervisor will denote having this specialty recognition by placing a "-S" after their credential initials, e.g., LBSW-S, LMSW-S or LCSW-S.

(50) Supervision--Supervision includes:

(A) administrative or work-related supervision of an employee, contractor or volunteer that is not related to qualification for licensure, practice specialty recognition, a disciplinary order, or a condition of new or continued licensure;

(B) clinical supervision of a Licensed Master Social Worker in a setting in which the LMSW is providing clinical services; the supervision may be provided by a Licensed Professional Counselor, Licensed Psychologist, Licensed Marriage and Family Therapist, Licensed Clinical Social Worker or Psychiatrist. This supervision is not related to qualification for licensure, practice specialty recognition, a disciplinary order, or a condition of new or continued licensure;

(C) clinical supervision of a Licensed Master Social Worker, who is providing clinical services and is under a supervision plan to fulfill supervision requirements for achieving the LCSW; a Licensed Clinical Social Worker who is a Council-approved supervisor delivers this supervision;

(D) non-clinical supervision of a Licensed Master Social Worker or Licensed Baccalaureate Social Worker who is providing non-clinical social work service toward qualifications for independent non-clinical practice recognition; this supervision is delivered by a Council-approved supervisor; and

(E) Council-ordered supervision of a licensee by a Council-approved supervisor pursuant to a disciplinary order or as a condition of new or continued licensure.

(51) Supervision hour--A supervision hour is a minimum of 60 minutes in length.

(52) Termination--Ending social work services with a client.

(53) Waiver--The suspension of educational, professional, and/or examination requirements for applicants who meet the criteria for licensure under special conditions based on appeal to the Council.

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 20, 2025.

TRD-202504274

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



SUBCHAPTER B. RULES OF PRACTICE

22 TAC §781.302

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.302, relating to The Practice of Social Work.

Overview and Explanation of the Proposed Rule. The proposed amendment will update rule references to clinical and non-clinical supervision plans, to align with other proposed rule changes.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or de-

crease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.302. *The Practice of Social Work.*

(a) Practice of Baccalaureate Social Work--Applying social work theory, knowledge, methods, ethics and the professional use of self to restore or enhance social, psychosocial, or bio-psychosocial functioning of individuals, couples, families, groups, organizations and communities. Baccalaureate Social Work is generalist practice and may include interviewing, assessment, planning, intervention, evaluation, case management, mediation, counseling, supportive counseling, direct practice, information and referral, problem solving, supervision, consultation, education, advocacy, community organization, and policy and program development, implementation, and administration. An LBSW may only practice social work in an agency employment setting or under contract with an agency, unless under a non-clinical supervision plan per §781.406(c) [781.402(d)(1)] of this title.

(b) Practice of Independent Non-Clinical Baccalaureate Social Work--An LBSW recognized for independent practice, known as LBSW-IPR, may provide any non-clinical baccalaureate social work services in either an employment or an independent practice setting. An LBSW-IPR may work under contract, bill directly for services, and bill third parties for reimbursements for services. An LBSW-IPR must restrict his or her independent practice to providing non-clinical social work services.

(c) Practice of Master's Social Work--Applying social work theory, knowledge, methods and ethics and the professional use of self to restore or enhance social, psychosocial, or bio-psychosocial functioning of individuals, couples, families, groups, organizations and communities. Master's Social Work practice may include applying specialized knowledge and advanced practice skills in assessment, treatment, planning, implementation and evaluation, case management, mediation, counseling, supportive counseling, direct practice, information and referral, supervision, consultation, education, research, advocacy, community organization and developing, implementing and administering policies, programs and activities. An LMSW may engage in Baccalaureate Social Work practice. An LMSW may only practice social work in an agency employment setting or under contract with an agency, unless under a non-clinical supervision plan per §781.406(c) [781.402(d)(1)] of this title. An LMSW may practice clinical social work, as defined by subsection (f) of this section, in an agency employment setting or under contract with an agency if under clinical supervision per §781.402(a)(2) [781.404(a)(2)] of this title or under a clinical supervision plan with an LCSW supervisor per §781.402(a)(3) and §781.405(a) [781.404(a)(3)] of this title.

(d) Advanced Non-Clinical Practice of LMSWs--An LMSW recognized as an Advanced Practitioner (LMSW-AP) may provide any non-clinical social work services in either an employment or an independent practice setting. An LMSW-AP may work under contract, bill directly for services, and bill third parties for reimbursements for services. An LMSW-AP must restrict his or her practice to providing non-clinical social work services.

(e) Independent Practice for LMSWs--An LMSW recognized for independent practice may provide any non-clinical social work services in either an employment or an independent practice setting. This licensee is designated as LMSW-IPR. An LMSW-IPR may work under contract, bill directly for services, and bill third parties for reimbursements for services. An LMSW-IPR must restrict his or her independent practice to providing non-clinical social work services.

(f) Practice of Clinical Social Work--The practice of social work that requires applying social work theory, knowledge, methods, ethics, and the professional use of self to restore or enhance social, psychosocial, or bio-psychosocial functioning of individuals, couples, families, groups, and/or persons who are adversely affected by social

or psychosocial stress or health impairment. The practice of clinical social work requires applying specialized clinical knowledge and advanced clinical skills in assessment, diagnosis, and treatment of mental, emotional, and behavioral disorders, conditions and addictions, including severe mental illness and serious emotional disturbances in adults, adolescents, and children. The clinical social worker may engage in Baccalaureate Social Work practice and Master's Social Work practice. Clinical treatment methods may include but are not limited to providing individual, marital, couple, family, and group therapy, mediation, counseling, supportive counseling, direct practice, and psychotherapy. Clinical social workers are qualified and authorized to use the Diagnostic and Statistical Manual of Mental Disorders (DSM), the International Classification of Diseases (ICD), Current Procedural Terminology (CPT) Codes, and other diagnostic classification systems in assessment, diagnosis, treatment and other practice activities. An LCSW may provide any clinical or non-clinical social work service or supervision in either an employment or independent practice setting. An LCSW may work under contract, bill directly for services, and bill third parties for service reimbursements.

(g) A licensee who is not recognized for independent practice and who is not under a non-clinical supervision plan must not engage in any independent practice that falls within the definition of social work practice in §781.102 of this title [(relating to Definitions)] unless the person is licensed in another profession and acting solely within the scope of that license. If the person is practicing professionally under another license, the person may not use the titles "licensed master social worker," "licensed social worker," or "licensed baccalaureate social worker," or any other title or initials that imply social work licensure.

(h) An LBSW or LMSW who is not recognized for independent practice may bill directly to patients or bill directly to third party payers if the LBSW or LMSW is under a formal supervision 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 20, 2025.

TRD-202504275

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.303

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.303, relating to Rules of Practice.

Overview and Explanation of the Proposed Rule. The proposed amendment would require a licensee who provides services to a client who concurrently receives services from another provider to seek consent from the client to contact the other provider and to strive to establish a collaborative relationship with that provider. The amendment also clarifies a licensee must report any knowledge of unlicensed practice.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state

or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive

Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.303. General Standards of Practice.

This section establishes standards of professional conduct required of a social worker. The licensee, following applicable statutes:

(1) shall not knowingly offer or provide professional services to an individual concurrently receiving professional services from another mental health services provider except with that provider's knowledge. If a licensee learns of such concurrent professional services, the licensee must immediately request release from the client [shall take immediate and reasonable action] to inform the other mental health services provider and strive to establish a positive and collaborative professional relationship;

(2) shall terminate a professional relationship when it is reasonably clear that the client is not benefiting from the relationship. If continued professional services are indicated, the licensee shall take reasonable steps to facilitate transferring the client by providing the client with the name and contact information of three sources of service;

(3) shall not evaluate any individual's mental, emotional, or behavioral condition unless the licensee has personally interviewed the individual or the licensee discloses with the evaluation that the licensee has not personally interviewed the individual;

(4) shall not persistently or flagrantly over treat a client;

(5) shall not aid and abet the unlicensed practice of social work by a person required to be licensed under the Act and must report to the council knowledge of any unlicensed practice;

(6) shall not participate in any way in falsifying licensure applications or any other documents submitted to the Council;

(7) shall ensure that, both before services commence and as services progress, the client knows the licensee's qualifications and any intent to delegate service provision; any restrictions the Council has placed on the licensee's license; the limits on confidentiality and privacy; and applicable fees and payment arrangements;

(8) if the client must barter for services, shall [it is the professional's responsibility to] ensure that the client is in no way harmed. The value of the barter shall be agreed upon in advance and shall not exceed customary charges for the service or goods; and

(9) shall ensure that the client or a legally authorized person representing the client has signed a consent for services. A licensee shall obtain and keep a copy of the relevant portions of any court order, divorce decree, power of attorney, or letters of guardianship authorizing the individual to provide substitute consent on behalf of the minor or ward.

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 20, 2025.

TRD-202504276

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.322

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.322, relating to Child Custody Evaluations.

Overview and Explanation of the Proposed Rule. The proposed amendment will conform the rule to the statutory changes made to Sections 107.104 and 107.112 of the Family Code by H.B. 2340 from the 89th Legislature, Regular Session (2025).

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state

or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive

Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.322. *Child Custody Evaluations.*

(a) Licensees shall comply with Texas Family Code, Chapter 107, Subchapters D, E, and F, concerning Child Custody Evaluation, Adoption Evaluation, and Evaluations in Contested Adoptions.

(b) A licensee who has completed a doctoral degree and at least 10 court-ordered child custody evaluations under the supervision of an individual qualified by the Texas Family Code, Chapter 107 to perform child custody evaluations is qualified to conduct child custody evaluations under Texas Family Code, Chapter 107. All other licensees must comply with the qualification requirements stipulated in Texas Family Code, Chapter 107.

(1) In addition to the minimum qualifications set forth by this rule, an individual must complete at least eight hours of family violence dynamics training provided by a family violence service provider to be qualified to conduct child custody evaluations.

(2) In addition to the qualifications prescribed by this rule, to be qualified to conduct a child custody evaluation, an individual must complete, during the two-year period preceding the evaluation, at least three hours of initial or continuing training, as applicable, related to the care of a child with an intellectual disability or developmental disability, including education, therapy, preparation for independent living, or methods for addressing physical or mental health challenges.

(c) Any complaint relating to the outcome of a child custody evaluation or adoption evaluation conducted by a licensee must be reported to the court that ordered the evaluation, Council rule §884.3 of this title.

(d) Disclosure of confidential information in violation of Texas Family Code[, §§107.111, 107.1111, or [§]107.163, or failure to redact any social security numbers or child's birth date from records subject to disclosure under 107.112 before making the records available, is grounds for disciplinary action, up to and including revocation of license, by the Council.

(e) A licensee who provides services concerning a matter which the licensee knows or should know will be utilized in a legal proceeding, such as a divorce, child custody determination, disability claim, or criminal prosecution, must comply with all applicable Council rules in this chapter regardless of whether the licensee is acting as a factual witness or an expert.

(f) A licensee may not provide therapy and any other type of service, including but not limited to a child custody evaluation or parenting facilitation, in the same case, whether such services are delivered sequentially or simultaneously.

(g) Licensees may not offer an expert opinion or recommendation relating to the conservatorship of or possession of or access to a child unless the licensee has conducted a child custody evaluation relating to the child under Texas Family Code, Chapter 107, Subchapter D.

(h) Prior to beginning [~~Licensees providing~~] child custody evaluations or adoption evaluations, licensees shall~~;~~ prior to beginning the evaluation, in writing] inform the parties in writing of:

(1) the limitations on confidentiality in the evaluation process; and

(2) the basis of fees and costs and the method of payment, including any fees associated with postponement, cancellation and/or nonappearance, and the parties' pro rata share of the fees and costs as determined by the court order or written agreement of the parties.

(i) A Licensed Baccalaureate Social Worker shall not conduct child custody evaluations or adoption evaluations unless qualified to provide such services by another professional license or otherwise by Texas Family Code, Chapter 107.

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 20, 2025.

TRD-202504277



SUBCHAPTER C. APPLICATION AND LICENSING

22 TAC §781.401

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.401, relating to Qualifications for Licensure.

Overview and Explanation of the Proposed Rule. The proposed amendments align the rule with statutory language and use more plain language to describe licensure requirements, including to replace the phrase "Council-approved supervisor" with the more accurate term "qualified supervisor." The amendments also remove language related to the independent practice recognition specialty, which is proposed to be included in a new rule.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional

costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may

not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.401. Qualifications for Licensure.

(a) ~~[Licensure.]~~ The following education and experience is required for licensure as designated. ~~[If an applicant for a license has held a substantially equivalent license in good standing in another jurisdiction for one year immediately preceding the date of application, the applicant will be deemed to have met the experience requirement under this chapter.]~~

(1) Licensed Clinical Social Worker (LCSW).

(A) Has been conferred a doctoral or master's degree in social work from a Council on Social Work Education (CSWE)-~~[CSWE]~~ accredited social work program, or a doctoral degree in social work from an accredited institution of higher learning acceptable to the Council,~~]; and has documentation in the form of a university transcript of successfully completing a field placement in social work.]~~

(B) ~~Has documentation in the form of a university transcript of successfully completing a field placement in social work.~~

(C) ~~[(B)]~~ Has had 3000 hours of supervised professional clinical experience over a period of at least 24 months, or its equivalent if the experience was completed in another jurisdiction. Hours accrued in non-clinical settings may be used to satisfy the requirements of this rule if the applicant works at least 4 hours per week providing clinical social work as defined in §781.102 of this title.

(D) ~~[(C)]~~ Has had a minimum of 100 hours of supervision, over the course of the 3000 hours of supervised experience, with a qualified supervisor. ~~[Council approved supervisor.]~~ If the social worker completed supervision in another jurisdiction, the social worker shall have the supervision verified by the regulatory authority in the other jurisdiction. If such verification is impossible, the social worker may request that the Council accept alternate verification of supervision. If an applicant for a license has held a substantially equivalent license in good standing in another jurisdiction for one year immediately preceding the date of application, the applicant will be deemed to have met the experience requirement under this chapter.

(E) ~~[(D)]~~ Has passed the Clinical examination administered nationally by ASWB.

(2) Licensed Master Social Worker (LMSW).

(A) Has been conferred a doctoral or master's degree in social work from a social work program that is accredited by, or in candidacy for accreditation by, CSWE. ~~[CSWE-accredited social work program, or a doctoral degree in social work from an accredited university acceptable to the Council, and has documentation in the form of a university transcript of successfully completing a field placement in social work.]~~

~~(B) Has documentation in the form of a university transcript of successfully completing a field placement in social work.~~

~~(C) [(B)]~~ Has passed the Master's examination administered nationally by ASWB.

(3) Licensed Baccalaureate Social Worker (LBSW).

(A) Has been conferred a baccalaureate degree in social work from a social work program that is accredited by, or in candidacy for accreditation by CSWE. ~~[CSWE-accredited social work program.]~~

(B) Has passed the Bachelors examination administered nationally by ASWB.

~~[(b) Specialty Recognition. The following education and experience is required for Independent Non-clinical Practice specialty recognitions:]~~

~~[(1) Is currently licensed in the State of Texas as an LBSW or LMSW.]~~

~~[(2) While fully licensed as a social worker has had 3000 hours of supervised full-time social work experience over a minimum two-year period, or its equivalent if the experience was completed in another state. Supervised professional experience must comply with §781.404 of this title and all other applicable laws and rules.]~~

~~[(3) Has had a minimum of 100 hours of supervision, over the course of the 3000 hours of experience, with a Council-approved supervisor. If supervision was completed in another jurisdiction, the social worker shall have the supervision verified by the regulatory authority in the other jurisdiction. If such verification is impossible, the social worker may request that the Council accept alternate verification.]~~

(b) ~~[(e)]~~ All applicants ~~[Applicants]~~ for a license must complete the Council's social work jurisprudence examination and submit proof of completion at the time of application.

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 20, 2025.

TRD-202504278

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.402

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners propose the repeal of §781.402, relating to Clinical Supervision for LCSW and Non-Clinical Supervision for Independent Practice Recognition.

Overview and Explanation of the Proposed Rule. The proposed repeal removes the current rule in conjunction with proposed new rules that restructure and consolidate existing rule language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed repeal is in effect, there will be no additional estimated

cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of no longer enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the repeal does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect there will be a benefit to licensees, applicants, and the general public because the proposed repeal will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of repealing the rule language will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed repeal will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed repeal will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed repeal does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed repeal is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed repeal is in effect, the Executive Council estimates that the proposed repeal will have no effect on government growth. The proposed repeal does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed repeal. Thus, the Executive Council is not required to

prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed repeal may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This repeal is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The repeal is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this repeal pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this repeal to the Executive Council. The repeal is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this repeal in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this repeal to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this repeal under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.402. Clinical Supervision for LCSW and Non-Clinical Supervision for Independent Practice Recognition.

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 20, 2025.



22 TAC §781.402

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes new rule §781.402, relating to Types of Supervision.

Overview and Explanation of the Proposed Rule. The proposed new rule will consolidate existing rule language regarding the types of supervision provided by social work licensees. The new language makes non-substantive edits to use more plain, direct language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed

rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this in-

stance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.402. Types of Supervision.

(a) Types of supervision.

(1) Administrative or work-related oversight of an employee, contractor or volunteer that is not related to qualification for licensure, practice specialty recognition, a disciplinary order, or a condition of new or continued licensure. This supervision does not require recognition by the Council.

(2) Clinical supervision of an LMSW in a setting in which the LMSW is providing clinical services. This supervision may be provided by a Licensed Professional Counselor, Licensed Psychologist, Licensed Marriage and Family Therapist, Licensed Clinical Social Worker (LCSW), or Psychiatrist. This supervision is not related to qualification for licensure, practice specialty recognition, a disciplinary order, or a condition of new or continued licensure.

(3) Clinical supervision of an LMSW, who is providing clinical services and is under a supervision plan to fulfill supervision requirements for achieving the LCSW. This supervision must be provided by a Licensed Clinical Social Worker who holds supervisor status.

(4) Non-clinical supervision of an LMSW or Licensed Baccalaureate Social Worker (LBSW) who is providing non-clinical social work service toward qualifications for independent non-clinical practice recognition.

(5) Council-ordered supervision of a licensee by an approved supervisor pursuant to a disciplinary order or as a condition of new or continued licensure.

(b) A licensee with supervisor status may perform the following supervisory functions.

(1) An LCSW may supervise clinical experience toward the LCSW license, non-clinical experience toward the Independent Practice Recognition (non-clinical), and Council-ordered supervision.

(2) An LMSW with the Independent Practice Recognition (non-clinical) or Advanced Practitioner (AP) recognition may supervise an LBSW's or LMSW's non-clinical experience toward the non-clinical Independent Practice Recognition, and an LBSW or LMSW (non-clinical) under Council-ordered supervision.

(3) An LBSW with the non-clinical Independent Practice Recognition may supervise an LBSW's non-clinical experience toward the non-clinical Independent Practice Recognition, and an LBSW under Council-ordered supervision.

(c) A supervisor shall supervise only those supervisees who provide services that fall within the supervisor's own competency.

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 20, 2025.

TRD-202504280

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.403

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes the repeal to §781.403, relating to Independent Practice Recognition (Non-Clinical).

Overview and Explanation of the Proposed Rule. The proposed repeal removes the current rule in conjunction with proposed new rules that restructure and consolidate existing rule language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed repeal is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of no longer enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the repeal does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect there will be a benefit to licensees, applicants, and the general public because the proposed repeal will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of repealing the rule language will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed repeal will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed repeal will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed repeal does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required

to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed repeal is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed repeal is in effect, the Executive Council estimates that the proposed repeal will have no effect on government growth. The proposed repeal does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed repeal. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed repeal may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This repeal is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The repeal is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this repeal pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this repeal to the Executive Council. The repeal is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this repeal in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing educa-

tion requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this repeal to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this repeal under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.403. Independent Practice Recognition (Non-Clinical).

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 20, 2025.

TRD-202504281

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.403

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes new rule §781.403, relating to Supervision Process.

Overview and Explanation of the Proposed Rule. The proposed new rule consolidates existing rule language regarding the supervision process and requirements supervisors must perform. The new language clarifies the type of records a supervisor must keep, including a detailed log of supervision sessions and a plan for the custody of records in the event a supervisor ceases practice. The new language requires a supervisee to notify supervisors of any pending complaints against the supervisee, and to share a copy of any remediation plan with all current and future supervisors. The new language also makes non-substantive edits to use more plain, direct language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be

no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all

rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.403. Supervision Process.

(a) A supervisor providing any form of supervision, other than administrative or work-related supervision described in §781.402(a)(1) of this title, must comply with the following:

(1) The supervisor is obligated to keep legible, accurate, complete, signed supervision notes and must be able to produce such documentation for the Council if requested. The notes shall document the content, duration, and date of each supervision session.

(2) A social worker may only provide supervision to a supervisee employed in another setting with written approval of the employer. A copy of the approval must be kept in the supervisor's files.

(3) A supervisor who is otherwise compensated for supervisory duties may not charge or collect a fee or anything of value from the supervisee for the supervision services provided to the supervisee.

(4) The supervisor shall ensure that the supervisee knows and adheres to the laws and rules governing the practice of social work.

(5) A supervisor shall not be employed by or under the employment supervision of the person who he or she is supervising.

(6) A supervisor shall not be a family member of the person being supervised.

(7) The supervisor and supervisee shall avoid forming any relationship with each other that impairs the objective, professional judgment and prudent, ethical behavior of either.

(b) All supervision toward licensure or specialty recognition must meet the following conditions.

(1) The supervisor shall keep a supervision file on each supervisee that includes:

(A) a supervision plan;

(B) a clearly defined job description and list of responsibilities for each of the supervisee's positions held during the supervised experience, including a discussion of any position or duties not subject to supervision;

(C) a list of locations where the supervisee provides supervised services;

(D) a log of experience and supervision earned by the supervisee that reflects the date and duration of each supervision meeting, the accumulated hours of non-clinical experience, and the accumulated hours of clinical supervised experience, if any;

(E) an established plan for the custody and control of the records of supervision for the supervisee in the event of the supervisor's death or incapacity or termination of the supervisor's practice;

(F) copy of written approval from the supervisee's employing agency agreeing to outside supervision; and

(G) a copy of any written plan for remediation of the supervisee described in 781.403(d) of this section.

(2) A supervisor is responsible for developing a well-conceptualized supervision plan with the supervisee, and for updating that plan whenever there is a change in agency of employment, job function, goals for supervision, or method by which supervision is provided.

(3) Before entering into a supervisory plan, the supervisor shall be aware of actual or intended service terms and conditions between a supervisee and their clients. The supervisor shall not provide supervision if the supervisee is practicing outside the authorized scope of the license. If the supervisor believes that a social worker is practicing outside the scope of the license, the supervisor shall make a report to the Council.

(4) Supervision toward licensure or specialty recognition may occur in one-on-one sessions, in group sessions, or in a combination of one-on-one and group sessions. Sessions may transpire in the same geographic location, or via audio, web technology or other electronic supervision techniques that comply with HIPAA and Texas Health and Safety Code, Chapter 611, and/or other applicable state or federal statutes or rules.

(5) Supervision groups shall have no fewer than two supervisees and no more than six.

(6) The Council considers supervision toward licensure or specialty recognition to be supervision which promotes professional growth. Therefore, all supervision formats must encourage clear, accurate communication between the supervisor and the supervisee, including case-based communication that meets standards for confidentiality. Though the Council favors supervision formats in which the supervisor and supervisee are in the same geographical place for a substantial part of the supervised experience, the Council also recognizes that some current and future technology, such as using reliable, technologically-secure computer cameras and microphones, can allow personal face-to-face, though remote, interaction, and can support professional growth. Supervision formats must be clearly described in the supervision plan, explaining how the supervision strategies and methods of delivery meet the supervisee's professional growth needs and ensure that confidentiality is protected.

(7) Supervision toward licensure or specialty recognition must extend over a full 3000 hours over a period of not less than 24 full months for Licensed Clinical Social Worker (LCSW) or Independent Practice Recognition (IPR). Even if the individual completes the minimum of 3000 hours of supervised experience and minimum of 100 hours of supervision prior to 24 months from the start date of supervision, supervision which meets the Council's minimum requirements shall extend to a minimum of 24 full months.

(8) Supervision shall occur in proportion to the number of actual hours worked for the 3,000 hours of supervised experience. No more than 10 hours of supervision may be counted in any one month, or 30-day period, as appropriate, towards satisfying minimum requirements for licensure or specialty recognition.

(c) A supervisor who agrees to provide Council-ordered supervision of a licensee must understand the Council order and follow the supervision stipulations outlined in the order. The supervisor must address with the licensee those professional behaviors that led to Council discipline, and must help to remediate those concerns while assisting the licensee to develop strategies to avoid repeating illegal, substandard, or unethical behaviors.

(d) If the supervisor determines that the supervisee lacks the professional skills and competence to practice social work under an independent license, the supervisor shall develop and implement a written remediation plan for the supervisee. If a supervisee receives a remediation plan, the supervisee must provide a copy of the remediation plan to any other current or future supervisors, as well as any relevant documentation regarding successful completion of the plan.

(e) The supervisor and the supervisee bear professional responsibility for the supervisee's professional activities. If a supervisee is informed of a pending complaint against them, the supervisee must notify each of their supervisors of the complaint.

(f) A supervisee who provides client services for payment or reimbursement shall submit billing to the client or third-party payers which clearly indicates the services provided and who provided the services, and specifying the supervisee's licensure category and the fact that the licensee is under supervision.

(g) If either the supervisor's or supervisee's license is revoked, suspended, placed on probated suspension, or becomes delinquent or expired during supervision, supervision hours accumulated during that time will not be accepted unless approved by the Council.

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 20, 2025.

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Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706

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22 TAC §781.404

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.404, relating to Recognition as a Supervisor.

Overview and Explanation of the Proposed Rule. The proposed amendments consolidate existing rule language regarding the requirements to hold supervisor status. The amendments clarify that a supervisor must hold a social work license issued by the Council, and adds requirements for actions a licensee must take if supervisor status is revoked or expires. Language related to types of supervision and the supervision process is proposed to move to other consolidated rules.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does

not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.404. *Recognition as a [Council-approved] Supervisor [and the Supervision Process].*

[(a) Types of supervision include:]

[(1) administrative or work-related supervision of an employee, contractor or volunteer that is not related to qualification for licensure, practice specialty recognition, a disciplinary order, or a condition of new or continued licensure;]

[(2) clinical supervision of a Licensed Master Social Worker in a setting in which the LMSW is providing clinical services; the supervision may be provided by a Licensed Professional Counselor, Licensed Psychologist, Licensed Marriage and Family Therapist, Licensed Clinical Social Worker or Psychiatrist. This supervision is not related to qualification for licensure, practice specialty recognition, a disciplinary order, or a condition of new or continued licensure;]

[(3) clinical supervision of a Licensed Master Social Worker, who is providing clinical services and is under a supervision plan to fulfill supervision requirements for achieving the LCSW; a Licensed Clinical Social Worker who is a Council-approved supervisor delivers this supervision;]

[(4) non-clinical supervision of a Licensed Master Social Worker or Licensed Baccalaureate Social Worker who is providing non-clinical social work service toward qualifications for independent non-clinical practice recognition; this supervision is delivered by a Council-approved supervisor; or]

[(5) Council-ordered supervision of a licensee by a Council-approved supervisor pursuant to a disciplinary order or as a condition of new or continued licensure.]

(a) [(b)] A person who wishes to hold supervisor status [be a Council-approved supervisor] must file an application [and] pay the applicable fee, and meet the following qualifications.

(1) Be [A Council-approved supervisor must be] actively licensed in good standing by the Council as an LBSW, an LMSW, or an LCSW, [, or be recognized as an Advanced Practitioner (LMSW-AP), or hold the equivalent social work license in another jurisdiction:]

(2) Have [The person applying for Council-approved status must have] practiced in the [at his/her] category of licensure for two years. [The Council-approved supervisor shall supervise only those supervisees who provide services that fall within the supervisor's own competency.]

[(2) The Council-approved supervisor is responsible for the social work services provided within the supervisory plan.]

(3) Have [The Council-approved supervisor must have] completed a 40-hour supervisor's training program acceptable to the Council.

(b) Licensed practice in another jurisdiction under an equivalent scope of practice may count toward the two-year minimum experience requirement.

(c) [(A)] At a minimum, the 40-hour supervisor's training program must meet each of the following requirements:

(1) [(i)] the course must be taught by a licensed social worker holding both the appropriate license classification, and supervisor status issued by the Council;

(2) [(ii)] all related coursework and assignments must be completed over a time period not to exceed 90 days; and

(3) [(iii)] the 40-hour supervision training must include at least:

(A) [(i)] three (3) hours for defining and conceptualizing supervision and models of supervision;

(B) [(ii)] three (3) hours for supervisory relationship and social worker development;

(C) [(iii)] twelve (12) hours for supervision methods and techniques, covering roles, focus (process, conceptualization, and personalization), group supervision, multi-cultural supervision (race, ethnic, and gender issues), and evaluation methods;

(D) [(iv)] twelve (12) hours for supervision and standards of practice, codes of ethics, and legal and professional issues; and

(E) [(v)] three (3) hours for executive and administrative tasks, covering supervision plan, supervision contract, time for supervision, record keeping, and reporting.

[(B) Subparagraph (A) of this paragraph is effective September 1, 2023.]

[(4) The Council-approved supervisor must submit required documentation and fees to the Council.]

[(5) When a licensee is designated Council-approved supervisor, he or she may perform the following supervisory functions:]

[(A) An LCSW may supervise clinical experience toward the LCSW license, non-clinical experience toward the Independent Practice Recognition (non-clinical), and Council-ordered probated suspension;]

[(B) An LMSW-AP may supervise non-clinical experience toward the non-clinical Independent Practice Recognition; and Council-ordered probated suspension for non-clinical practitioners;]

[(C) An LMSW with the Independent Practice Recognition (non-clinical) who is a Council-approved supervisor may supervise an LBSW's or LMSW's non-clinical experience toward the non-clinical Independent Practice Recognition; and an LBSW or LMSW (non-clinical) under Council-ordered probated suspension;]

[(D) An LBSW with the non-clinical Independent Practice Recognition who is a Council-approved supervisor may supervise an LBSW's non-clinical experience toward the non-clinical Independent Practice Recognition; and an LBSW under Council-ordered probated suspension.]

(d) [(6)] A [The approved] supervisor must renew [the approved] supervisor status in conjunction with the biennial license renewal. [The approved supervisor may surrender supervisory status by documenting the choice on the appropriate Council renewal form and subtracting the supervisory renewal fee from the renewal payment.] If a licensee who has surrendered supervisory status desires to regain supervisory status, the licensee must reapply and meet the current requirements for [approved] supervisor status.

(e) [(7)] A supervisor must maintain an active license and supervisor status, as well as the qualifications described in this section while [he or she is] providing supervision.

[(8) A Council-approved supervisor who wishes to provide any form of supervision or Council-ordered supervision must comply with the following:]

[(A) The supervisor is obligated to keep legible, accurate, complete, signed supervision notes and must be able to produce such documentation for the Council if requested. The notes shall document the content, duration, and date of each supervision session.]

[(B) A social worker may contract for supervision with written approval of the employing agency. A copy of the approval must accompany the supervisory plan submitted to the Council.]

[(C) A Council-approved supervisor who is otherwise compensated for supervisory duties may not charge or collect a fee or anything of value from the supervisee for the supervision services provided to the supervisee.]

[(D) Before entering into a supervisory plan, the supervisor shall be aware of all conditions of exchange with the clients served by her or his supervisee. The supervisor shall not provide supervision if the supervisee is practicing outside the authorized scope of the license. If the supervisor believes that a social worker is practicing outside the scope of the license, the supervisor shall make a report to the Council.]

[(E) A supervisor shall not be employed by or under the employment supervision of the person who he or she is supervising.]

[(F) A supervisor shall not be a family member of the person being supervised.]

[(G) A supervisee must have a clearly defined job description and responsibilities.]

[(H) A supervisee who provides client services for payment or reimbursement shall submit billing to the client or third-party payers which clearly indicates the services provided and who provided the services; and specifying the supervisee's licensure category and the fact that the licensee is under supervision.]

[(I) If either the supervisor or supervisee has an expired license or a license that is revoked or suspended during supervision, supervision hours accumulated during that time will be accepted only if the licensee appeals to and receives approval from the Council.]

[(J) A licensee must be a current Council-approved supervisor in order to provide professional development supervision toward licensure or specialty recognition, or to provide Council-ordered supervision to a licensee. Providing supervision without having met all requirements for current, valid Council-approved supervisor status may be grounds for disciplinary action against the supervisor.]

[(K) The supervisor shall ensure that the supervisee knows and adheres to Subchapter B, Rules of Practice, of this Chapter.]

[(L) The supervisor and supervisee shall avoid forming any relationship with each other that impairs the objective, professional judgment and prudent, ethical behavior of either.]

[(M) Should a supervisor become subject to a Council disciplinary order, that person is no longer a Council-approved supervisor and must so inform all supervisees, helping them to find alternate supervision. The person may reapply for Council-approved supervisor status by meeting the terms of the disciplinary order and having their license in good standing, in addition to submitting an application for Council-approved supervisor, and proof of completion of a 40-hour Council-approved supervisor training course, taken no earlier than the date of execution of the Council order.]

[(N) Providing supervision without Council-approved supervisor status is grounds for disciplinary action.]

[(O) A supervisor shall refund all supervisory fees the supervisee paid after the date the supervisor ceased to be Council-approved.]

[(P) A supervisor is responsible for developing a well-conceptualized supervision plan with the supervisee, and for updating that plan whenever there is a change in agency of employment, job

function, goals for supervision, or method by which supervision is provided.]

[(9) A Council-approved supervisor who wishes to provide supervision towards licensure as an LCSW or towards specialty recognition in Independent Practice (IPR) or Advanced Practitioner (LMSW-AP), which is supervision for professional growth, must comply with the following:]

[(A) Supervision toward licensure or specialty recognition may occur in one-on-one sessions; in group sessions; or in a combination of one-on-one and group sessions. Session may transpire in the same geographic location; or via audio, web technology or other electronic supervision techniques that comply with HIPAA and Texas Health and Safety Code, Chapter 611, and/or other applicable state or federal statutes or rules.]

[(B) Supervision groups shall have no fewer than two members and no more than six.]

[(C) Supervision shall occur in proportion to the number of actual hours worked for the 3,000 hours of supervised experience. No more than 10 hours of supervision may be counted in any one month, or 30-day period, as appropriate, towards satisfying minimum requirements for licensure or specialty recognition.]

[(D) The Council considers supervision toward licensure or specialty recognition to be supervision which promotes professional growth. Therefore, all supervision formats must encourage clear, accurate communication between the supervisor and the supervisee, including case-based communication that meets standards for confidentiality. Though the Council favors supervision formats in which the supervisor and supervisee are in the same geographical place for a substantial part of the supervision time, the Council also recognizes that some current and future technology, such as using reliable, technologically-secure computer cameras and microphones, can allow personal face-to-face, though remote, interaction; and can support professional growth. Supervision formats must be clearly described in the supervision plan, explaining how the supervision strategies and methods of delivery meet the supervisee's professional growth needs and ensure that confidentiality is protected.]

[(E) Supervision toward licensure or specialty recognition must extend over a full 3000 hours over a period of not less than 24 full months for LCSW or Independent Practice Recognition (IPR). Even if the individual completes the minimum of 3000 hours of supervised experience and minimum of 100 hours of supervision prior to 24 months from the start date of supervision, supervision which meets the Council's minimum requirements shall extend to a minimum of 24 full months.]

[(F) The supervisor and the supervisee bear professional responsibility for the supervisee's professional activities.]

[(G) If the supervisor determines that the supervisee lacks the professional skills and competence to practice social work under a regular license, the supervisor shall develop and implement a written remediation plan for the supervisee.]

[(H) Supervised professional experience required for licensure must comply with §781.401 of this title and §781.402 of this title and all other applicable laws and rules.]

[(10) A Council-approved supervisor who wishes to provide supervision required as a result of a Council order must comply with this title, all other applicable laws and rules, and/or the following.]

[(A) A licensee who is required to be supervised as a condition of initial licensure, continued licensure, or disciplinary action must:]

[(i) submit one supervisory plan for each practice location to the Council for approval by the Council or its designee within 30 days of initiating supervision;]

[(ii) submit a current job description from the agency in which the social worker is employed with a verification of authenticity from the agency director or his or her designee on agency letterhead or submit a copy of the contract or appointment under which the licensee intends to work, along with a statement from the potential supervisor that the supervisor has reviewed the contract and is qualified to supervise the licensee in the setting;]

[(iii) ensure that the supervisor submits reports to the Council on a schedule determined by the Council. In each report, the supervisor must address the supervisee's performance, how closely the supervisee adheres to statutes and rules, any special circumstances that led to the imposition of supervision, and recommend whether the supervisee should continue licensure. If the supervisor does not recommend the supervisee for continued licensure, the supervisor must provide specific reasons for not recommending the supervisee. The Council may consider the supervisor's reservations as it evaluates the supervision verification the supervisee submits; and]

[(iv) notify the Council immediately if there is a disruption in the supervisory relationship or change in practice location and submit a new supervisory plan within 30 days of the break or change in practice location.]

[(B) The supervisor who agrees to provide Council-ordered supervision of a licensee who is under Council disciplinary action must understand the Council order and follow the supervision stipulations outlined in the order. The supervisor must address with the licensee those professional behaviors that led to Council discipline, and must help to remediate those concerns while assisting the licensee to develop strategies to avoid repeating illegal, substandard, or unethical behaviors.]

[(C) Council-ordered and mandated supervision timeframes are specified in the Council order.]

(f) Should a supervisor become subject to a Council disciplinary order that imposes a probated suspension, suspension, or revocation, that person's supervisor status is revoked. The person may reapply for supervisor status by:

- (1) meeting the terms of the disciplinary order;
- (2) having their license in good standing;
- (3) completing a 40-hour supervisor training course, taken no earlier than the date of execution of the Council order; and
- (4) submitting a new application for supervisor status.

(g) If a licensee loses their authorization to provide supervision, either through failure to maintain an active license and status or through a disciplinary action, the supervisor must immediately inform all supervisees and assist them to find alternate supervision. The licensee shall refund all supervisory fees the supervisee paid after the date the supervisor ceased to hold supervisor status.

(h) Providing supervision without appropriate licensure and supervisor status is grounds for disciplinary action.

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

Filed with the Office of the Secretary of State on November 20, 2025.

TRD-202504283

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.405

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes the repeal of §781.405, relating to Applications for Licensure.

Overview and Explanation of the Proposed Rule. The proposed repeal removes the current rule in conjunction with proposed new rules that restructure and consolidate existing rule language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed repeal is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of no longer enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the repeal does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect there will be a benefit to licensees, applicants, and the general public because the proposed repeal will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of repealing the rule language will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed repeal will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed repeal will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed repeal does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amend-

ment of another rule is required because the proposed repeal is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed repeal is in effect, the Executive Council estimates that the proposed repeal will have no effect on government growth. The proposed repeal does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed repeal. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed repeal may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This repeal is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The repeal is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this repeal pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this repeal to the Executive Council. The repeal is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this repeal in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has

been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this repeal to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this repeal under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.405. Application for Licensure.

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 20, 2025.

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Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.405

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes new rule §781.405, relating to Clinical Supervision for Licensed Clinical Social Worker.

Overview and Explanation of the Proposed Rule. The proposed new rule consolidates existing rule language related to applying for a clinical social worker license, including what information must be submitted to the Council with the application. The new language also clarifies how an LMSW may continue to perform clinical social work services after completing LCSW experience requirements. The new language also makes non-substantive edits to use more plain, direct language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.405. Clinical Supervision for Licensed Clinical Social Worker:

(a) To accrue supervised clinical experience required for the issuance of a Licensed Clinical Social Worker (LCSW), a Licensed Master Social Worker (LMSW) and their LCSW supervisor shall complete a supervision plan, on a form prescribed by the Council or a form with substantially equivalent information, signed by both the LMSW and the LCSW supervisor.

(b) The LMSW shall submit an application to reclassify the LMSW licensure to an LCSW license upon fulfillment of the supervision requirements and passage of the ASWB Clinical exam.

(1) The applicant must provide the appropriate supervision plans and verification forms. The documentation must include the names and contact information of all supervisors; beginning and ending dates of supervision; job description; and average number of hours of social work activity per week.

(2) The applicant's experience must have been in a position providing social work services, under the supervision of a qualified supervisor, with written evaluations to demonstrate satisfactory performance.

(3) The applicant must maintain and, upon request, provide to the Council documentation of employment status, pay vouchers, or supervisory evaluations.

(c) Upon request of the LMSW, the LCSW supervisor shall submit a completed and signed supervision verification form prescribed by the Council, within 30 days of the completion of the supervisee's hours or upon termination of the supervisor-supervisee relationship.

(d) An LMSW that has completed clinical supervision for an LCSW license may, but is not required to, continue to provide clinical

social work services under the supervision plan with their LCSW supervisor. An LCSW supervisor may, but is not required to, continue to provide clinical supervision to an LMSW that has completed their clinical supervised experience hours. An LMSW that has completed clinical supervision may not provide clinical social work services outside of appropriately supervised practice until issuance of an LCSW license.

(e) A person who has obtained a temporary license may not begin the supervision process toward independent clinical practice until the regular license is issued.

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 20, 2025.

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Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.406

The Texas Behavioral Health Executive Council on behalf the Texas State Board of Social Worker Examiners proposes the repeal of §781.406, relating to Required Documentation of Qualifications for Licensure.

Overview and Explanation of the Proposed Rule. The proposed repeal removes the current rule in conjunction with proposed new rules that restructure and consolidate existing rule language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed repeal is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of no longer enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the repeal does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect there will be a benefit to licensees, applicants, and the general public because the proposed repeal will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of repealing the rule language will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed repeal is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed repeal will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed repeal will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed repeal does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed repeal is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed repeal is in effect, the Executive Council estimates that the proposed repeal will have no effect on government growth. The proposed repeal does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed repeal. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed repeal may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This repeal is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The repeal is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this repeal pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt

rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this repeal to the Executive Council. The repeal is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this repeal in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this repeal to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this repeal under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.406. Required Documentation of Qualifications for Licensure.

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 20, 2025.

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Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.406

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes new rule §781.406, relating to Independent Practice Recognition.

Overview and Explanation of the Proposed Rule. The proposed new rule consolidates existing rule language related to the independent practice recognition (IPR) specialty, including requirements to qualify for the specialty designation and qualification to supervise the experience required to earn the specialty. The new language clarifies that an LBSW or LMSW under supervision toward the IPR designation may own and operation a non-clinical practice under that supervision. The new language also makes non-substantive edits to use more plain, direct language.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the

proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.406. Independent Practice Recognition.

(a) A person must meet the following education and experience requirements for Independent Non-clinical Practice specialty recognition.

(1) Is currently licensed in the State of Texas as a Licensed Baccalaureate Social Worker (LBSW) or Licensed Master Social Worker (LMSW).

(2) While licensed as a social worker has had 3000 hours of supervised social work experience over a minimum two-year period, or its equivalent if the experience was completed in another state.

(3) Has had a minimum of 100 hours of supervision, over the course of the 3000 hours of experience, with an appropriate supervisor. If supervision was completed in another jurisdiction, the social worker shall have the supervision verified by the regulatory authority in the other jurisdiction. If such verification is impossible, the social worker may request that the Council accept alternate verification.

(b) The following are qualified supervisors for accruing supervised experience toward Independent Practice Recognition.

(1) An individual supervising an LBSW for independent non-clinical practice recognition shall hold supervisor status and be an LBSW recognized for independent non-clinical practice, an LMSW recognized for independent non-clinical practice, a Licensed Master Social Worker-Advanced Practitioner (LMSW-AP), or a Licensed Clinical Social Worker (LCSW).

(2) An individual supervising an LMSW for the independent non-clinical practice recognition shall hold supervisor status and be an LMSW recognized for independent non-clinical practice, an LMSW-AP, or an LCSW.

(c) To accrue supervised experience required for an LBSW or an LMSW to apply for Independent Practice Recognition, the LBSW or LMSW shall complete a supervision plan, on a form prescribed by the Council or a form with substantially equivalent information, signed by both the LBSW or LMSW and the supervisor.

(d) An LBSW or LMSW shall submit an application for Independent Practice Recognition upon fulfillment of the supervision requirements.

(1) The applicant must provide the appropriate supervision plans and verification forms. The documentation must include the names and contact information of all supervisors; beginning and ending dates of supervision; job description; and average number of hours of social work activity per week.

(2) The applicant's experience must have been in a position providing social work services, under the supervision of a qualified supervisor, with written evaluations to demonstrate satisfactory performance.

(3) The applicant must maintain and, upon request, provide to the Council documentation of employment status, pay vouchers, or supervisory evaluations.

(4) Applicants must complete the Council's social work jurisprudence examination and submit proof of completion at the time of application.

(e) The supervisor shall complete and sign a supervision verification form prescribed by the Council when the LBSW or LMSW submits an application for Independent Practice Recognition.

(f) An LBSW or LMSW may own and operate their own non-clinical practice when under a supervision plan for independent practice. The LBSW's or LMSW's supervisor is responsible for the acts or omissions of the supervisee while providing services under the supervision plan.

(g) A person who has obtained a temporary license may not begin the supervision process toward independent practice recognition until the regular license is issued.

(h) An LBSW-IPR who applies to reclassify LBSW to LMSW is no longer recognized for non-clinical independent practice. To regain the non-clinical independent practice recognition, the LMSW must satisfy the requirements for IPR. Supervised experience hours accrued before the issuance of an LMSW license cannot be considered for LMSW-IPR.

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 20, 2025.

TRD-202504287

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.407

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes new rule §781.407, relating to Prohibited Independent Practice.

Overview and Explanation of the Proposed Rule. The proposed new rule consolidates existing rule language related to prohibitions on independent social work practice, including that an LMSW working towards an LCSW may not own or operate a private practice to provide clinical social work services. The new language expands the guidelines the Council will rely on and makes clarifying edits to better guide a determining whether independent practice is occurring.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not

required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license

holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.407. Prohibited Independent Practice.

(a) A Licensed Master Social Worker who plans to apply for a Licensed Clinical Social Worker license may not own or operate a private practice to provide clinical social work to clients.

(b) A licensee who is not recognized for independent practice and who is not under a non-clinical supervision plan must not engage in any independent practice that falls within the definition of social work practice in §781.102 of this title unless the person is licensed in another profession and acting solely within the scope of that license.

(c) A social worker provides services under the direction of an employing agency, and is not practicing independently, when the employer has the right to control the means and details by which services are performed, regardless of whether the social worker is a full-time or part-time employee or an independent contractor. The Council will use guidelines developed by the Internal Revenue Service (IRS) and the Texas Workforce Commission, to demonstrate whether a professional is performing independent practice. Such guidelines include:

(1) Behavioral control. An employer can control the social worker's behavior by giving instructions about how work gets done rather than simply receiving the end products of the work. The more detailed the instructions, the more control an employer exercises.

(2) Financial control. The employer determines the amount and regularity of payment to employees. An independent practitioner typically negotiates a timeframe for completing work and receiving payment. Independent practitioners have more freedom to make business decisions that affect the profitability of their work, such as investing in equipment or renting an office. Employees typically do not invest their own finances into an employing agency. Employees are usually reimbursed for job-related expenses, whereas independent practitioners often must negotiate reimbursement as part of the total agreed compensation.

(3) Relationship of the parties. The nature of the relationship between the employer and the social worker is usually outlined in a written contract with clear intent whether the employing agency has control over the social worker and whether the employer is assuming responsibility for the social worker as an employee. Signs that a social worker is an employee include: if the employment relationship is permanent or ongoing, if an employer gives the social worker employee benefits, and if the social worker is retained to perform key aspects of the employer's day-to-day business.

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 20, 2025.

TRD-202504288

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



22 TAC §781.419

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.419, relating to Licensing of Military Service Members, Military Veterans, and Military Spouses.

Overview and Explanation of the Proposed Rule. The proposed amendment will align the Council's rules with changes made to Texas Occupations Code Chapter 55 by the 89th Legislature regarding licensing of military service members, veterans, and spouses.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.419. Licensing of Military Service Members, Military Veterans, and Military Spouses.

(a) An applicant applying for licensure under this section must comply with Council rule §882.60 of this title [(relating to Special Provisions Applying to Military Service Members, Veterans, and Spouses)].

[(b) Licensing requirements that either match or exceed Texas requirements are considered substantially equivalent.]

[(b) [(e)] For an application for a license submitted by a verified military service member or military veteran, the applicant shall receive credit towards any licensing or apprenticeship requirements, except an examination requirement, for verified military service, training, or education that is relevant to the occupation, unless he or she holds a restricted license issued by another jurisdiction or if he or she has an unacceptable criminal history as described by the Act and this chapter.

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 20, 2025.

TRD-202504289

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706

SUBCHAPTER D. SCHEDULE OF SANCTIONS

22 TAC §781.805

The Texas Behavioral Health Executive Council on behalf of the Texas State Board of Social Worker Examiners proposes amendments to §781.805, relating to Schedule of Sanctions.

Overview and Explanation of the Proposed Rule. The proposed amendments adjust the schedule of sanctions to align with other rule consolidation proposals.

Fiscal Note. Darrel D. Spinks, Executive Director of the Executive Council, has determined that for the first five-year period the

proposed rule is in effect, there will be no additional estimated cost, reduction in costs, or loss or increase in revenue to the state or local governments as a result of enforcing or administering the rule. Additionally, Mr. Spinks has determined that enforcing or administering the rule does not have foreseeable implications relating to the costs or revenues of state or local government.

Public Benefit. Mr. Spinks has determined for the first five-year period the proposed rule is in effect there will be a benefit to licensees, applicants, and the general public because the proposed rule will provide greater clarity and consistency in the Executive Council's rules. Mr. Spinks has also determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be to help the Executive Council protect the public.

Probable Economic Costs. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no additional economic costs to persons required to comply with this rule.

Small Business, Micro-Business, and Rural Community Impact Statement. Mr. Spinks has determined for the first five-year period the proposed rule is in effect, there will be no adverse effect on small businesses, micro-businesses, or rural communities.

Regulatory Flexibility Analysis for Small and Micro-Businesses and Rural Communities. Mr. Spinks has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities. Thus, the Executive Council is not required to prepare a regulatory flexibility analysis pursuant to §2006.002 of the Tex. Gov't Code.

Local Employment Impact Statement. Mr. Spinks has determined that the proposed rule will have no impact on local employment or a local economy. Thus, the Executive Council is not required to prepare a local employment impact statement pursuant to §2001.022 of the Tex. Gov't Code.

Requirement for Rules Increasing Costs to Regulated Persons. The proposed rule does not impose any new or additional costs to regulated persons, state agencies, special districts, or local governments; therefore, pursuant to §2001.0045 of the Tex. Gov't Code, no repeal or amendment of another rule is required to offset any increased costs. Additionally, no repeal or amendment of another rule is required because the proposed rule is necessary to protect the health, safety, and welfare of the residents of this state and because regulatory costs imposed by the Executive Council on licensees is not expected to increase.

Government Growth Impact Statement. For the first five-year period the proposed rule is in effect, the Executive Council estimates that the proposed rule will have no effect on government growth. The proposed rule does not create or eliminate a government program; it does not require the creation or elimination of employee positions; it does not require the increase or decrease in future legislative appropriations to this agency; it does not require an increase or decrease in fees paid to the agency; it does not create a new regulation; it does not expand an existing regulation; it does not increase or decrease the number of individuals subject to the rule's applicability; and it does not positively or adversely affect the state's economy.

Takings Impact Assessment. Mr. Spinks has determined that there are no private real property interests affected by the proposed rule. Thus, the Executive Council is not required to prepare a takings impact assessment pursuant to §2007.043 of the Tex. Gov't Code.

Request for Public Comments. Comments on the proposed rule may be submitted by mail to Brenda Skiff, Executive Assistant, Texas Behavioral Health Executive Council, 1801 Congress Ave., Ste. 7.300, Austin, Texas 78701 or via <https://www.bhec.texas.gov/proposed-rule-changes-and-the-rulemaking-process/>. The deadline for receipt of comments is 5:00 p.m., Central Time, on January 4, 2026, which is at least 30 days from the date of publication of this proposal in the *Texas Register*.

Applicable Legislation. This rule is proposed pursuant to the specific legal authority granted to the Executive Council by H.B. 1501, 86th Leg., R.S. (2019).

Statutory Authority. The rule is proposed under Tex. Occ. Code, Title 3, Subtitle I, Chapter 507, which provides the Texas Behavioral Health Executive Council with the authority to make all rules, not inconsistent with the Constitution and Laws of this State, which are reasonably necessary for the proper performance of its duties and regulations of proceedings before it.

Additionally, the Executive Council proposes this rule pursuant to the authority found in §507.152 of the Tex. Occ. Code which vests the Executive Council with the authority to adopt rules necessary to perform its duties and implement Chapter 507 of the Tex. Occ. Code.

In accordance with §505.2015 of the Tex. Occ. Code the Texas State Board of Social Worker Examiners previously voted and, by a majority, approved to propose this rule to the Executive Council. The rule is specifically authorized by §505.2015 of the Tex. Occ. Code which states the Board shall propose to the Executive Council rules regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice; continuing education requirements for license holders; and a schedule of sanctions for violations of this chapter or rules adopted under this chapter.

The Executive Council also proposes this rule in compliance with §507.153 of the Tex. Occ. Code. The Executive Council may not propose and adopt a rule regarding the qualifications necessary to obtain a license; the scope of practice, standards of care, and ethical practice for a profession; continuing education requirements; or a schedule of sanctions unless the rule has been proposed by the applicable board for the profession. In this instance, the underlying board has proposed this rule to the Executive Council. Therefore, the Executive Council has complied with Chapters 505 and 507 of the Texas Occupations Code and may propose this rule.

Lastly, the Executive Council proposes this rule under the authority found in §2001.004 of the Tex. Gov't Code which requires state agencies to adopt rules of practice stating the nature and requirements of all available formal and informal procedures.

No other code, articles or statutes are affected by this section.

§781.805. Schedule of Sanctions.

The following standard sanctions shall apply to violations of the Act and these rules.

Figure: 22 TAC §781.805

[Figure: 22 TAC §781.805]

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 20, 2025.

TRD-202504290

Darrel D. Spinks

Executive Director

Texas State Board of Social Worker Examiners

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 305-7706



TITLE 25. HEALTH SERVICES

PART 11. CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

CHAPTER 703. GRANTS FOR CANCER PREVENTION AND RESEARCH

25 TAC §703.24

The Cancer Prevention and Research Institute of Texas ("CPRIT" or "the Institute") proposes amendments to 25 Texas Administrative Code §703.24 relating to the Institute's timely review and payment of Financial Status Reports.

BACKGROUND INFORMATION AND JUSTIFICATION

CPRIT requires all of its grant recipients to report grant expenditures on quarterly Financial Status Reports (FSR). In general, CPRIT conducts these reviews in accordance with standards set in the Texas Grant Management Standards (TxGMS), as published by the office of the Texas Comptroller of Public Accounts. When necessary, and as allowed by TxGMS, CPRIT establishes variations from TxGMS through the official rulemaking process. TxGMS standards include a 21-day deadline for a state agency to review a request for payment and notify a grantee of any errors in the request. This 21-day deadline applies to FSR. However, the volume, complexity, and timing of FSR reviews make it impossible for CPRIT to review all FSR submissions within 21 days. CPRIT is in the process of revising its business process and developing new technology tools to shorten these review times but lacks sufficient data to determine the necessary review times at present. As a result, CPRIT must clarify that it can only guarantee payment within 30 days of receiving a complete and correct FSR. CPRIT expects to revise this rule again in the future to specify predictable review timelines once it has new processes and new technology tools in place and has obtained sufficient data to make accurate predictions. CPRIT is adding the current language permitting the institute to waive those eventual review timelines to ensure grantees receive notice if any deadlines for review or payment will not be met going forward.

SECTION-BY-SECTION SUMMARY

Proposed §703.24(f) specifies that CPRIT shall review and pay Financial Status Reports within thirty (30) days of receiving a complete and correct FSR from a grant recipient.

Proposed §703.24(f)(1) allows CPRIT's Chief Executive Officer to temporarily waive the thirty (30) day deadline.

Proposed §703.24(f)(2) states that a waiver must be in writing, specify its applicability, and that the Chief Executive Officer must provide a copy of the waiver to CPRIT's Oversight Committee.

Proposed §703.24(f)(3) requires the Institute to post waivers under this subsection on its public website and maintain copies as part of the grant record.

FISCAL NOTE

Mr. John Ellis, General Counsel for CPRIT, has determined that for each year of the first five years that the proposed new sections will be in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed rule. In addition, CPRIT does not anticipate that enforcing or administering the proposed rule will result in any reductions in costs or in any additional costs to the Institute, the state, or local governments. CPRIT also does not anticipate that there will be any loss or increase in revenue to the Institute, the state, or local governments as a result of enforcing or administering the proposed rule.

PUBLIC BENEFIT

Mr. Ellis has determined that for each year of the first five years that the proposed amendments will be in effect, the public benefit expected as a result of adopting the proposed rule amendments will be timelier payment to grant recipients and more transparency when there is a delay in CPRIT's review and payment of an FSR.

ECONOMIC COSTS TO PERSONS AND IMPACT ON LOCAL ECONOMY

There are no anticipated economic costs to persons required to comply with the proposed rule. There is no effect on local economy for the first five years that the proposed rule will be in effect; therefore, no local employment impact statement is required under Texas Government Code §§2001.022 and 2001.024(a)(6).

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

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

GOVERNMENT GROWTH IMPACT STATEMENT

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

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

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

REQUEST FOR PUBLIC COMMENTS

Comments or questions on the proposed rule may be submitted in writing and directed to Mr. John Ellis, General Counsel, Cancer Prevention and Research Institute of Texas, P.O. Box 12097, Austin, Texas 78711, or by e-mail to jellis@cpvit.texas.gov. Comments will be accepted no later than January 12, 2026. Comments should be organized in a manner consistent with the organization of the proposed rule.

STATUTORY AUTHORITY

The proposed rule amendments are authorized by Texas Health & Safety Code § 102.108, which provides the Institute with broad rule-making authority to administer the Chapter.

CROSS REFERENCE TO STATUTE

The proposed rule amendments implement Chapter 102 of the Texas Health & Safety Code. No other statute, code, or article is affected by the proposed rule.

§703.24. Financial Status Reports.

(a) The Grant Recipient shall report expenditures to be reimbursed with Grant Award funds on the quarterly Financial Status Report form. The Grant Recipient must report all expenses for which it seeks reimbursement that the Grant Recipient paid during the fiscal quarter indicated on the quarterly Financial Status Report form.

(1) Expenditures shall be reported by budget category consistent with the Grant Recipient's Approved Budget.

(2) If the Grant Recipient seeks reimbursement for an expense it paid prior to the period covered by the current quarterly Financial Status Report but did not previously report to the Institute, the Grant Recipient must provide a written explanation for failing to claim the prior payment in the appropriate period.

(A) The Grant Recipient must submit the written explanation with any supporting documentation at the time that the Grant Recipient files its current Financial Status Report.

(B) The Institute shall consider the explanation and may approve reimbursement for the otherwise eligible expense. The Institute's decision whether to reimburse the expense is final.

(3) All expenditures must be supported with appropriate documentation showing that the costs were incurred and paid. A Grant Recipient that is a public or private institution of higher education as defined by §61.003, Texas Education Code is not required to submit supporting documentation for an individual expense totaling less than \$750 in the "supplies" or "other" budget categories.

(4) The Financial Status Report and supporting documentation must be submitted via the Grant Management System, unless the Grant Recipient is specifically directed in writing by the Institute to submit or provide it in another manner.

(5) The Institute may request in writing that a Grant Recipient provide more information or correct a deficiency in the supporting documentation for a Financial Status Report. If a Grant Recipient does not submit the requested information within five (5) business days after the request is submitted, the Financial Status Report may be disapproved by the Institute.

(A) Nothing herein restricts the Institute from disapproving the FSR without asking for additional information or prior to the submission of additional information.

(B) Nothing herein extends the FSR due date.

(6) The requirement to report and timely submit quarterly Financial Status Reports applies to all Grant Recipients, regardless of whether Grant Award funds are disbursed by reimbursement or in advance of incurring costs.

(b) Quarterly Financial Status Reports shall be submitted to the Institute within ninety (90) days of the end of the state fiscal quarter (based upon a September 1 - August 31 fiscal year). The Institute shall review expenditures and supporting documents to determine whether expenses charged to the Grant Award are:

(1) Allowable, allocable, reasonable, necessary, and consistently applied regardless of the source of funds; and

(2) Adequately supported with documentation such as cost reports, receipts, third party invoices for expenses, or payroll information.

(c) A Grant Award with a Grant Contract effective date within the last quarter of a state fiscal year (June 1 - August 31) will have an initial financial reporting period beginning September 1 of the following state fiscal year.

(1) A Grant Recipient that incurs Authorized Expenses after the Grant Contract effective date but before the beginning of the next state fiscal year may request reimbursement for those Authorized Expenses.

(2) The Authorized Expenses described in paragraph (1) of this subsection must be reported in the Financial Status Report reflecting Authorized Expenses for the initial financial reporting period beginning September 1.

(d) Except as provided herein, the Grant Recipient waives the right to reimbursement of project costs incurred during the reporting period if the Financial Status Report for that quarter is not submitted to the Institute within thirty (30) days of the Financial Status Report due date. Waiver of reimbursement of project costs incurred during the reporting period also applies to Grant Recipients that have received advancement of Grant Award funds.

(1) For purposes of this rule, the "Financial Status Report due date" is ninety (90) days following the end of the state fiscal quarter.

(2) The Chief Executive Officer may approve a Grant Recipient's request to defer submission of the reimbursement request for the current fiscal quarter until the next fiscal quarter if, on or before the original Financial Status Report due date, the Grant Recipient submits a written explanation for the Grant Recipient's inability to complete a timely submission of the Financial Status Report.

(3) A Grant Recipient may appeal the waiver of its right to reimbursement of project costs.

(A) The appeal shall be in writing, provide good cause for failing to submit the Financial Status Report within thirty (30) days of the Financial Status Report due date, and be submitted via the Grant Management System.

(B) The Chief Executive Officer may approve the appeal for good cause. The decision by the Chief Executive Officer to approve or deny the grant recipient's appeal shall be in writing and available to the Grant Recipient via the Grant Management System.

(C) The Chief Executive Officer's decision to approve or deny the Grant Recipient's appeal is final, unless the Grant Recipient timely seeks reconsideration of the Chief Executive Officer's decision by the Oversight Committee.

(D) The Grant Recipient may request that the Oversight Committee reconsider the Chief Executive Officer's decision regarding the Grant Recipient's appeal. The request for reconsideration shall be in writing and submitted to the Chief Executive Officer within 10 days of the date that the Chief Executive Officer notifies the Grant Recipient of the decision regarding the appeal as noted in subparagraph (C) of this paragraph.

(E) The Chief Executive Officer shall notify the Oversight Committee in writing of the decision to approve or deny the Grant Recipient's appeal. The notice should provide justification for the Chief Executive Officer's decision. In the event that the Grant Recipient timely seeks reconsideration of the Chief Executive Officer's decision, the Chief Executive Officer shall provide the Grant Recipient's written request to the Oversight Committee at the same time.

(F) The Grant Recipient's request for reconsideration is deemed denied unless three or more Oversight Committee members request that the Chief Executive Officer add the Grant Recipient's request for reconsideration to the agenda for action at the next regular Oversight Committee meeting. The decision made by the Oversight Committee is final.

(G) If the Grant Recipient's appeal is approved by the Chief Executive Officer or the Oversight Committee, the Grant Recipient shall report the project costs and provide supporting documentation for the costs incurred during the reporting period covered by the appeal on the next available financial status report to be filed by the Grant Recipient.

(H) Approval of the waiver appeal does not connote approval of the expenditures; the expenditures and supporting documentation shall be reviewed according to subsection (b) of this section.

(I) This subsection applies to any waivers of the Grant Recipient's reimbursement decided by the Institute on or after September 1, 2015.

(4) Notwithstanding subsection (c) of this section, in the event that the Grant Recipient and Institute execute the Grant Contract after the effective date of the Grant Contract, the Chief Program Officer may approve additional time for the Grant Recipient to prepare and submit the outstanding Financial Status Report(s). The approval shall be in writing and maintained in the Grants Management System. The Chief Program Officer's approval may cover more than one Financial Status Report and more than one fiscal quarter.

(5) In order to receive disbursement of grant funds, the most recently due Financial Status Report must be approved by the Institute.

(e) If a deadline set by this rule falls on a Saturday, Sunday, or federal holiday as designated by the U.S. Office of Personnel Management, the required filing may be submitted on the next business day. The Institute will not consider a required filing delinquent if the Grant Recipient complies with this subsection.

(f) Unless waived under paragraph (1) of this subsection, the Institute shall review Financial Status Reports and supporting documentation and make payment within 30 days of receiving a complete and correct quarterly Financial Status Report.

(1) The Chief Executive Officer may temporarily waive the requirements of this subsection, in whole or in part, upon finding that the waiver is necessary for the Institute to reduce a backlog of submitted Financial Status Reports, cope with and unusual or unworkable volume and complexity of Financial Status Report reviews, manage challenges with its electronic grant management system, or for any other reason consistent with the purposes and duties of the Institute.

(2) A waiver under paragraph (1) of this subsection shall be in writing and state the justification for the waiver. The waiver shall specify the length of time it is applicable, but no waiver shall exceed 180 days from the date on which the Chief Executive Officer grants the waiver. The Chief Executive Officer shall provide the waiver to the Oversight Committee at the time of its approval.

(3) All waivers approved pursuant to this subsection shall be posted on the Institute's Internet website. The Institute shall maintain a copy of an approved waiver as part of the applicable grant record.

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 21, 2025.

TRD-202504312

Heidi McConnell

Deputy Executive Officer / Chief Operating Officer
Cancer Prevention and Research Institute of Texas

Earliest possible date of adoption: January 4, 2026

For further information, please call: (512) 463-3190



TITLE 43. TRANSPORTATION

PART 10. TEXAS DEPARTMENT OF MOTOR VEHICLES

CHAPTER 217. VEHICLE TITLES AND REGISTRATION

SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

43 TAC §§217.22, 217.26, 217.28, 217.29

INTRODUCTION. The Texas Department of Motor Vehicles (department) proposes amendments to 43 Texas Administrative Code (TAC) Subchapter B, Motor Vehicle Registration, §§217.22, 217.26, 217.28, and 217.29 to limit the types of personal identification documents that an applicant can use to register a vehicle in Texas under Transportation Code, §502.040, which requires that the owner of a vehicle apply for registration in Texas and that the applicant for registration is a resident of Texas. These proposed amendments are necessary to ensure that the applicant's personal identification document is valid and that the applicant is legally eligible to reside in Texas.

EXPLANATION.

The proposed amendments to 43 TAC §217.22 would add a new §217.22(44), defining "valid passport" as an unexpired passport or passport card that is issued by the United States government, or an unexpired passport that is issued by the government of another foreign country and supported by a stamp or mark on the passport and either a permanent resident card, or an unexpired immigrant visa from the United States Department of Homeland Security to show that the person has the legal right to reside in the United States. The remaining subsections in §217.22 are proposed to be renumbered as necessary to accommodate new §217.22(44). These proposed amendments are necessary to strengthen the document validity requirements for vehicle regis-

tration in order to prevent fraud and to prevent applicants who are not legally eligible to reside in Texas from registering vehicles to drive on Texas roads.

The proposed amendments to §217.26 would distinguish the personal identification document requirements for registration that does not require the applicant to be a resident of Texas from registrations under Transportation Code, §502.040, which requires Texas residency. While the proposed amendment to §217.26(a) preserves the existing flexibility in personal identification documents for applicants for types of registration that do not require Texas residency, proposed new §217.26(b) limits the types of personal identification documents the department would accept from applicants for registration requiring Texas residency. Applicants for vehicle registration under Transportation Code, §502.040 would have to show either a valid, unexpired driver's license or state identification card that meets the requirements of the REAL ID Act of 2005 (REAL ID), a valid passport as defined by new §217.22(44), or a valid, unexpired Texas handgun license. All three of these methods of identification provide proof that the applicant is legally eligible to reside in Texas. REAL ID requires that the issuing authority verify the legal presence status of applicants who are not United States citizens. As stated above, the proposed new definition of "valid passport" in §217.22(44) would show that the applicant is legally eligible to reside in Texas. Business and Commerce Code §507.001, relating to Concealed Handgun License as Valid Proof of Identification, requires that the department accept a Texas handgun license in lieu of a driver's license; an applicant for a handgun license must provide proof of citizenship or lawful presence. These proposed amendments are necessary to prevent fraud and to prevent applicants who are not legally eligible to reside in Texas from registering vehicles. The remaining subsections of §216.26 are proposed to be relettered to accommodate proposed new §217.26(b).

Proposed amendments to §217.28 and §217.29 would require applicants seeking to renew a motor vehicle registration to provide documents or information to allow the department to verify that the vehicle owner has a personal identification document that meets the requirements of proposed amended §217.26. These changes are necessary to implement the new identification requirements for all registered vehicles, including those that were initially registered prior to the effective date of these proposed amendments. Subsections of §228.28(c) would be renumbered to accommodate the addition of the new identification requirements in proposed new §228.28(c)(2).

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Glenna Bowman, Chief Financial Officer, has determined that for each year of the first five years the amendments will be in effect, there will be no significant fiscal impact to state or local governments as a result of the enforcement or administration of the proposal because the department's data shows that the vast majority of applicants for registration have been presenting the department with personal identification documents that will meet the requirements of the amended rules. Annette Quintero, Director of the Vehicle Titles and Registration Division, has determined that there will be no measurable effect on local employment or the local economy as a result of the proposal.

PUBLIC BENEFIT AND COST NOTE.

Public Benefit. Ms. Quintero has also determined that, for each year of the first five years the amended sections are in effect, the public benefits anticipated as a result of the proposal include reducing the risk of fraud in vehicle registration, and preventing

people who are not legally eligible to reside in Texas from attaining registration to drive on Texas roads.

Anticipated Costs To Comply With The Proposal. Ms. Quintero anticipates that there will be costs to comply with these revisions for individuals who do not have a valid, unexpired driver's license or unexpired passport and have to pay the application costs necessary to attain those documents. The cost to persons required to comply with the proposal would be \$33 or less for the Texas driver's license fee and \$165 or less for a United States passport.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. As required by Government Code, §2006.002, the department has determined that the proposed amendments will have an adverse economic effect on small businesses, micro-businesses, and rural communities to the extent that they register vehicles and do not have valid, current identification document for the individual registering a vehicle under Transportation Code, §502.040. These individuals would have to apply for and pay the fees associated with a Texas driver's license or United States passport, as described above. There are approximately 3.5 million small and micro-businesses in Texas and approximately 1,660 incorporated communities in Texas with a population of less than 25,000; the department has no data on how many of these businesses and communities register their vehicles through a representative with a valid driver's license or passport that would meet the requirements of the proposed revisions. Therefore, the department is required to prepare a regulatory flexibility analysis under Government Code, §2006.002. The department considered establishing separate identification requirements for small and micro-businesses and rural communities, exempting small and micro-businesses from the identification requirements, and allowing small and micro-businesses and rural communities to use the same personal identification requirements as the proposed rules provide for registration that does not require Texas residency. The department rejected all three options because they would not be consistent with the health, safety and welfare of the state, as they would all allow the risk of fraud and the risk of individuals who are not legally eligible to reside in Texas registering vehicles and driving on Texas roads.

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

GOVERNMENT GROWTH IMPACT STATEMENT. The department has determined that each year of the first five years the proposed amendments are in effect, no government program would be created or eliminated. Implementation of the proposed amendments would not require the creation of new employee positions or elimination of existing employee positions. Implementation would not require an increase or decrease in future legislative appropriations to the department or an increase or significant decrease of fees paid to the department. The proposed amendments technically create a new regulation for an applicant for vehicle registration who is required to be a resident of Texas. The proposed amendments do not expand or repeal an existing regulation. The proposed amendments limit an existing regulation by restricting the types of identifying documents that a person can use to register a vehicle under Transportation

Code, §502.040. Lastly, the proposed amendments do not affect the number of individuals subject to the rule's applicability and will not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on January 5, 2026. The department 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 rule or any other interested person. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

STATUTORY AUTHORITY. The Texas Department of Motor Vehicles (department) proposes amendments to §§217.22, 217.26, 217.28 and 217.29 under Transportation Code, §502.0021, which gives the department the authority to adopt rules to administer Transportation Code, Chapter 502; Transportation Code, §502.040, which gives the department authority to determine by rule the personal identification required for vehicle registration under that section; and Transportation Code, §502.043, which gives the department authority to make rules to prescribe the manner and required information for an application for vehicle registration and to require an applicant for registration to provide current personal identification.

CROSS REFERENCE TO STATUTE. Transportation Code, Chapter 502 and 1002; Business and Commerce Code, Chapter 507.

§217.22. *Definitions.*

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

(1) **Affidavit for alias exempt registration**--A form prescribed by the director that must be executed by an exempt law enforcement agency to request the issuance of exempt registration in the name of an alias.

(2) **Agent**--A duly authorized representative possessing legal capacity to act for an individual or legal entity.

(3) **Alias**--The name of a vehicle registrant reflected on the registration, different than the name of the legal owner of the vehicle.

(4) **Alias exempt registration**--Registration issued under an alias to a specific vehicle to be used in covert criminal investigations by a law enforcement agency.

(5) **Axle load**--The total load transmitted to the road by all wheels whose centers may be included between two parallel transverse vertical planes 40 inches apart, extending across the full width of the vehicle.

(6) **Border commercial zone**--A commercial zone established under Title 49, C.F.R., Part 372 that is contiguous to the border with Mexico.

(7) **Bus**--A motor vehicle used to transport persons and designed to accommodate more than 10 passengers, including the operator; or a motor vehicle, other than a taxicab, designed and used to transport persons for compensation.

(8) **Carrying capacity**--The maximum safe load that a commercial vehicle may carry, as determined by the manufacturer.

(9) **Character**--A numeric or alpha symbol displayed on a license plate.

(10) **County or city civil defense agency**--An agency authorized by a commissioner's court order or by a city ordinance to provide protective measures and emergency relief activities in the event of hostile attack, sabotage, or natural disaster.

(11) **Current photo identification**--a government-issued photo identification that is currently valid or is expired not more than 12 months, or a state-issued personal identification certificate issued to a qualifying person if the identification states that it has no expiration.

(12) **Digital license plate**--As defined in Transportation Code, §504.151.

(13) **Digital license plate owner**--A digital license plate owner is a person who purchases or leases a digital license plate from a department-approved digital license plate provider.

(14) **Director**--The director of the Vehicle Titles and Registration Division, Texas Department of Motor Vehicles.

(15) **Division**--Vehicle Titles and Registration Division.

(16) **Executive administrator**--The director of a federal agency, the director of a Texas state agency, the sheriff of a Texas county, or the chief of police of a Texas city that by law possesses the authority to conduct covert criminal investigations.

(17) **Exempt agency**--A governmental body exempted by statute from paying registration fees when registering motor vehicles.

(18) **Exempt license plates**--Specially designated license plates issued to certain vehicles owned or controlled by exempt agencies.

(19) **Exhibition vehicle**--

(A) An assembled complete passenger car, truck, or motorcycle that:

(i) is a collector's item;

(ii) is used exclusively for exhibitions, club activities, parades, and other functions of public interest;

(iii) does not carry advertising; and

(iv) has a frame, body, and motor that is at least 25-years old; or

(B) A former military vehicle as defined in Transportation Code, §504.502.

(20) **Fire-fighting equipment**--Equipment mounted on fire-fighting vehicles used in the process of fighting fires, including, but not limited to, ladders and hoses.

(21) **Foreign commercial motor vehicle**--A commercial motor vehicle, as defined by 49 C.F.R. §390.5, that is owned by a person or entity that is domiciled in or a citizen of a country other than the United States.

(22) **GPS**--A global positioning system tracking device that can be used to determine the location of a digital license plate through data collection by means of a receiver in a digital license plate.

(23) **Highway construction project**--That section of the highway between the warning signs giving notice of a construction area.

(24) International symbol of access--The symbol adopted by Rehabilitation International in 1969 at its Eleventh World Congress of Rehabilitation of the Disabled.

(25) Legend--A name, motto, slogan, or registration expiration notification that is centered horizontally at the bottom of the license plate.

(26) Make--The trade name of the vehicle manufacturer.

(27) Metal license plate--A non-digital license plate issued by the department under Transportation Code Chapter 502, 503, or Chapter 504.

(28) Nonprofit organization--An unincorporated association or society or a corporation that is incorporated or holds a certificate of authority under the Business Organizations Code.

(29) Nominating State Agency--A state agency authorized to accept and distribute funds from the sale of a specialty plate as designated by the nonprofit organization (sponsoring entity).

(30) Optional digital license plate information--Any information authorized to be displayed on a digital license plate in addition to required digital license plate information when the vehicle is in park, including:

(A) an emergency alert or other public safety alert issued by a governmental entity, including an alert authorized under Subchapter L, M, or P of Government Code Chapter 411;

(B) vehicle manufacturer safety recall notices;

(C) advertising; or

(D) a parking permit.

(31) Park--As defined in Transportation Code, §541.401.

(32) Political subdivision--A county, municipality, local board, or other body of this state having authority to provide a public service.

(33) Primary region of interest--The field on a metal or digital license plate with alphanumeric characters representing the plate number. The primary region of interest encompasses a field of 5.75 inches in width by 1.75 inches in height on metal license plates manufactured for motorcycles, mopeds, golf carts, or off-highway vehicles. The primary region of interest encompasses a field of 8.375 inches in width by 2.5625 inches in height on metal license plates manufactured for all other vehicles.

(34) Registration period--A designated period during which registration is valid. A registration period begins on the first day of a calendar month and ends on the last day of a calendar month.

(35) Required digital license plate information--The minimum information required to be displayed on a digital license plate: the registration expiration month and year (unless the vehicle is a token trailer as defined by Transportation Code, §502.001), the alphanumeric characters representing the plate number, the word "Texas," the registration expiration notification if the registration for the vehicle has expired; and the legend (if applicable).

(36) Secondary region of interest--The field on a metal or digital license plate with the word "Texas" centered horizontally at the top of the plate. The secondary region of interest encompasses a field of 2.5 inches in width by 0.5625 inches in height on metal license plates manufactured for motorcycles, mopeds, golf carts, or off-highway vehicles. The secondary region of interest encompasses a field of 6 inches in width by 1.9375 inches in height on metal license plates manufactured for all other vehicles.

(37) Service agreement--A contractual agreement that allows individuals or businesses to access the department's vehicle registration records.

(38) Specialty license plate--A special design license plate issued by the department.

(39) Specialty license plate fee--Statutorily or department required fee payable on submission of an application for a specialty license plate, symbol, tab, or other device, and collected in addition to statutory motor vehicle registration fees.

(40) Sponsoring entity--An institution, college, university, sports team, or any other non-profit individual or group that desires to support a particular specialty license plate by coordinating the collection and submission of the prescribed applications and associated license plate fees or deposits for that particular license plate.

(41) Street or suburban bus--A vehicle, other than a passenger car, used to transport persons for compensation exclusively within the limits of a municipality or a suburban addition to a municipality.

(42) Tandem axle group--Two or more axles spaced 40 inches or more apart from center to center having at least one common point of weight suspension.

(43) Unconventional vehicle--A vehicle built entirely as machinery from the ground up, that is permanently designed to perform a specific function, and is not designed to transport property.

(44) Valid passport--

(A) An unexpired passport or passport card issued by the United States government; or

(B) An unexpired passport issued by the government of another country with:

(i) A stamp or mark affixed by the United States Department of Homeland Security onto the passport to evidence and authorize lawful admission into the United States; and

(ii) A current permanent resident card or unexpired immigrant visa issued by the United States Department of Homeland Security.

(45) [(44)] Vehicle classification--The grouping of vehicles in categories for the purpose of registration, based on design, carrying capacity, or use.

(46) [(45)] Vehicle description--Information regarding a specific vehicle, including, but not limited to, the vehicle make, model year, body style, and vehicle identification number.

(47) [(46)] Vehicle identification number--A number assigned by the manufacturer of a motor vehicle or the department that describes the motor vehicle for purposes of identification.

(48) [(47)] Vehicle registration insignia--A license plate, symbol, tab, or other device issued by the department evidencing that all applicable fees have been paid for the current registration period and allowing the vehicle to be operated on the public highways.

(49) [(48)] Vehicle registration record--Information contained in the department's files that reflects, but is not limited to, the make, vehicle identification number, model year, body style, license number, and the name of the registered owner.

(50) [(49)] Volunteer fire department--An association that is organized for the purpose of answering fire alarms, extinguishing fires, and providing emergency medical services.

§217.26. *Identification Required.*

(a) In a registration class under Transportation Code, Chapter 502 that does not require the owner of the vehicle to be a resident of this state, an [Aa] application for initial registration is not acceptable unless the applicant presents a current photo identification of the owner containing a unique identification number and expiration date. The current photo identification must be a:

(1) driver's license or state identification certificate issued by a state or territory of the United States;

(2) United States or foreign passport;

(3) United States military identification card;

(4) North Atlantic Treaty Organization identification or identification issued under a Status of Forces Agreement;

(5) United States Department of Homeland Security, United States Citizenship and Immigration Services, or United States Department of State identification document; or

(6) license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H.

(b) In a registration class under Transportation Code, Chapter 502 that requires the owner of the vehicle to be a resident of this state, an application for initial registration is not acceptable unless the applicant presents one of the following for the owner of the vehicle:

(1) a valid, unexpired driver's license or state identification certificate issued by a state or territory of the United States that complies with the minimum document requirements and issuance standards for federal recognition under the REAL ID Act of 2005, Public Law 109-13;

(2) a valid passport; or

(3) a valid, unexpired license to carry a handgun issued by the Texas Department of Public Safety under Government Code, Chapter 411, Subchapter H.

(c) [(b)] If the motor vehicle is titled in:

(1) more than one name, then the identification of one owner must be presented;

(2) the name of a leasing company, then:

(A) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the leasing company must be submitted, written on the application, and can be entered into the department's titling system. The number must correspond to the name of the leasing company in which the vehicle is being titled; and

(B) the leasing company may submit:

(i) a current photo identification, required under this section, of the lessee listed as the registrant; or

(ii) a current photo identification, required under this section, of the employee or authorized agent who signed the application for the leasing company, and the employee's or authorized agent's employee identification, letter of authorization written on the lessor's letterhead, or a printed business card. The printed business card, employee identification, or letter of authorization written on the lessor's letterhead must contain the name of the lessor, and the employee's or authorized agent's name must match the name on the current photo identification;

(3) the name of a trust, then a current photo identification, required under this section, of a trustee must be presented; or

(4) the name of a business, government entity, or organization, then:

(A) proof of the Federal Employer Identification Number/Employee Identification Number (FEIN/EIN) of the business, government entity, or organization must be submitted, written on the application, and can be entered into the department's titling system. The number must correspond to the name of the business, government entity, or organization in which the vehicle is being titled;

(B) the employee or authorized agent must present a current photo identification, required under this section; and

(C) the employee's or authorized agent's employee identification; letter of authorization written on the business', government entity's, or organization's letterhead; or a printed business card. The printed business card, employee identification, or letter of authorization written on the business', government entity's, or organization's letterhead must contain the name of the business, governmental entity, or organization, and the employee's or authorized agent's name must match the name on the current photo identification.

(d) [(e)] Within this section, an identification document such as a printed business card, letter of authorization, or power of attorney, may be an original or photocopy.

(e) [(d)] A person who holds a general distinguishing number issued under Transportation Code, Chapter 503 is exempt from submitting to the county tax assessor-collector, but must retain:

(1) the owner's identification, as required under this section; and

(2) authorization to sign, as required under this section.

(f) [(e)] A person who holds a general distinguishing number issued under Transportation Code, Chapter 503 is not required to submit photo identification or authorization for an employee or agent signing a title assignment with a secure power of attorney.

(g) [(f)] This section does not apply to non-titled vehicles.

§217.28. Vehicle Registration Renewal.

(a) To renew vehicle registration, a vehicle owner must apply to the tax assessor-collector of the county in which the owner resides or a county tax assessor-collector who is willing to accept the application.

(b) The department will send a registration renewal notice, indicating the proper registration fee and the month and year the registration expires, to each vehicle owner prior to the expiration of the vehicle's registration.

(c) The registration renewal notice should be returned by the vehicle owner to the county tax assessor-collector in the county in which the owner resides or a county tax assessor-collector who is willing to accept the application, or to that tax assessor-collector's deputy, either in person or by mail, unless the vehicle owner renews via the Internet. The renewal notice must be accompanied by the following information, documents and fees:

(1) registration renewal fees prescribed by law;

(2) documents or information necessary to verify that the vehicle owner has a personal identification document that meets the applicable requirements of §217.26 of this title (relating to Identification Required);

(3) [(2)] any local fees or other fees prescribed by law and collected in conjunction with registration renewal; and

(4) [(3)] evidence of financial responsibility required by Transportation Code, §502.046, unless otherwise exempted by law.

(d) If a registration renewal notice is lost, destroyed, or not received by the vehicle owner, the vehicle may be registered if the owner presents personal identification that meets the applicable requirements of §217.26 of this title ~~[acceptable to the county tax assessor-collector or via the Internet]~~. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Renewal of expired vehicle registrations.

(1) If the owner has been arrested or cited for operating the vehicle without valid registration then a 20% delinquency penalty is due when registration is renewed, the full annual fee will be collected, and the vehicle registration expiration month will remain the same.

(2) If the county tax assessor-collector or the department determines that a registrant has a valid reason for being delinquent in registration, the vehicle owner will be required to pay for 12 months' registration. Renewal will establish a new registration expiration month that will end on the last day of the eleventh month following the month of registration renewal.

(3) If the county tax assessor-collector or the department determines that a registrant does not have a valid reason for being delinquent in registration, the full annual fee will be collected and the vehicle registration expiration month will remain the same.

(4) Specialty license plates, symbols, tabs, or other devices may be prorated as provided in §217.45(d)(2) of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices).

(5) Evidence of a valid reason may include receipts, passport dates, and military orders. Valid reasons may include:

- (A) extensive repairs on the vehicle;
- (B) the person was out of the country;
- (C) the vehicle is used only for seasonal use;
- (D) military orders;
- (E) storage of the vehicle;
- (F) a medical condition such as an extended hospital stay; and
- (G) any other reason submitted with evidence that the county tax assessor-collector or the department determines is valid.

(6) The operation of a vehicle with an expired registration that has been stored or otherwise not in operation that is driven only to an inspection station for the purpose of obtaining an inspection, if applicable, required for registration, will not affect the determination of whether the registrant has a valid or invalid reason for being delinquent.

(f) For purposes of Transportation Code §502.407(c), the county tax assessor-collector's office of the county in which the owner resides is closed for a protracted period of time if the county tax assessor-collector's office has notified the department that it is closed or will be closed for more than one week.

§217.29. Vehicle Registration Renewal via Internet.

(a) Internet registration renewal program. The department will maintain a uniform Internet registration renewal process. This process will provide for the renewal of vehicle registrations via the Internet and will be in addition to vehicle registration procedures provided for in §217.28 of this title (relating to Vehicle Registration Renewal). The Internet registration renewal program will be facilitated by a third-party vendor.

(b) County participation in program. All county tax assessor-collectors shall process registration renewals through an online system designated by the department.

(c) Eligibility of individuals for participation. To be eligible to renew a vehicle's registration via the Internet, the vehicle owner must meet all criteria for registration renewal outlined in this subchapter and in Transportation Code, Chapter 502.

(d) Information to be submitted by vehicle owner. A vehicle owner who renews registration via the Internet must submit or verify the following information:

(1) registrant information, including the vehicle owner's name, ~~[and] county of residence, and information necessary to verify that the vehicle owner has a personal identification document that meets the applicable requirements of §217.26 of this title (relating to Identification Required);~~

(2) vehicle information, including the license plate number of the vehicle to be registered;

(3) insurance information, including the name of the insurance company, the name of the insurance company's agent (if applicable), the telephone number of the insurance company or agent (local or toll free number serviced Monday through Friday 8:00 a.m. to 5:00 p.m.), the insurance policy number, and representation that the policy meets all applicable legal standards;

(4) credit card information, including the type of credit card, the name appearing on the credit card, the credit card number, and the expiration date; and

(5) other information prescribed by rule or statute.

(e) Duties of the county. A county tax assessor-collector shall:

(1) accept electronic payment for vehicle registration renewal via the Internet;

(2) execute an agreement with the department as provided by the director;

(3) process qualified Internet registration renewal transactions as submitted by the third-party vendor;

~~(4) verify that the vehicle owner's personal identification document meets the applicable requirements of §217.26;~~

~~(5) [(4)]~~ communicate with the third-party vendor and applicants via email, regular mail, or other means, as specified by the director;

~~(6) [(5)]~~ reject applications that do not meet all requirements set forth in this chapter, and in Transportation Code, Chapter 502; and

~~(7) [(6)]~~ register each vehicle for a 12-month period.

(f) Duties of the department. For vehicle registration renewals that are submitted via the Internet, the department and its centralized third-party vendor shall promptly facilitate and mail vehicle registration insignias to applicants.

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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