

PROPOSED RULES

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

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

TITLE 10. COMMUNITY DEVELOPMENT

PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 1. ADMINISTRATION

SUBCHAPTER A. GENERAL POLICIES AND PROCEDURES

10 TAC §1.1

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1 Reasonable Accommodation Requests to the Department. The purpose of the proposed repeal is to eliminate the current rule while replacing it with a more current version of the rule.

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

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

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

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

1. The repeal does not create or eliminate a government program but relates to the handling of requests for reasonable accommodations.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The repeal will not expand or contract the applicability of an existing regulation.
7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

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

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

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the proposed repeal. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.

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

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

§1.1. Reasonable Accommodation Requests to the Department.

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

Filed with the Office of the Secretary of State on February 5, 2026.

TRD-202600539

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: March 22, 2026

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



10 TAC §1.1

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1 Reasonable Accommodation Requests to the Department. The purpose of the proposed rule is to provide clarity and make other minor non-substantive revisions.

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

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

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

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

1. The new section does not create or eliminate a government program but relates to the handling of requests for reasonable accommodations.
2. The new section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The new section does not require additional future legislative appropriations.
4. The new section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The new section does not create a new regulation, except that it is replacing a section being repealed simultaneously to provide for revisions.
6. The new section will not expand nor contract an existing regulation.
7. The new section will not increase or decrease the number of individuals subject to the rule's applicability.
8. The new section will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REG-

ULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed section and also requests information related to the cost, benefit, or effect of the proposed section, including any applicable data, research, or analysis from any person required to comply with the new section or any other interested person. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.

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

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

§1.1. Reasonable Accommodation Requests to the Department.

(a) Purpose. The purpose of this section is to establish the procedures by which a Requestor may ask that a Reasonable Accommodation is made to the Department. For rules governing the handling of reasonable accommodation requests and responsibilities of entities receiving funds or resources from the Department see Subchapter B, §1.204 of this Chapter, relating to Reasonable Accommodations. This rule is statutorily authorized by Tex. Gov't Code, 2306.066(e), which requires the Executive Director to prepare a written plan to provide persons with disabilities an opportunity to participate in the Department's programs, and in accordance with the Fair Housing Act, and other federal and state civil rights laws.

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

(1) Board--The Governing Board of the Texas Department of Housing and Community Affairs.

(2) Director or Program Manager--Department staff member supervising the division or area of a division containing the program, service or activity for which a Reasonable Accommodation is being requested. The individual Director or Program Manager may delegate this responsibility to a designee.

(3) Disability--A physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act, or the term disability as defined in the Americans with Disabilities Act.

(4) Fair Housing Act--Fair Housing Act of 1968, also known as Title VIII of the Civil Rights Act of 1968.

(5) Reasonable Accommodation--An accommodation and/or modification that is an alteration, change, exception, or adjustment to a program, policy, service, building, or dwelling unit, that will allow a qualified person with a Disability to:

- (A) Participate fully in a program;
- (B) Take advantage of a service;
- (C) Live in a dwelling; or
- (D) Use and enjoy a dwelling.

(6) Requestor--Includes applicants, members of the public, clients of Department programs, program participants, or their representatives.

(7) Section 504--Section 504 of the Rehabilitation Act of 1973, as amended.

(c) Procedures.

(1) The Requestor of the Reasonable Accommodation shall submit a request to the Director or Program Manager. A request does not have to be in writing. A request can be made in a face-to-face conversation with a Director or Program Manager, or using any other method of communication. A request is any communication in which an individual clearly asks or states that they need the Department to provide or to change an item within the Department's purview in order to equitably access and participate in a program or service.

(2) The request, whether oral or written, must contain, at minimum:

(A) The Department program or procedure for which an accommodation is being requested;

(B) Household information to include name, address, phone number and email address, if available;

(C) Description of the Reasonable Accommodation being requested; and

(D) Reason the Reasonable Accommodation is necessary.

(E) In the case of oral requests, the Director or Program Manager will create a written summary of the request.

(3) The Director or Program Manager may coordinate with the Department's Fair Housing subject matter experts as needed. The

Director or Program Manager may ask for additional information from the Requestor. Staff should address Reasonable Accommodations requests promptly. If making the requested Reasonable Accommodation would require the Department to incur an expense, the Division Director will first confirm that the Reasonable Accommodation expense will not cause the Division to exceed their approved budget or, if additional measures beyond those within budget are required, that they are promptly considered and a compliant decision made. Upon having the applicable information, the Director or Program Manager and Fair Housing subject matter experts, as needed, will determine:

(A) If the proposed Reasonable Accommodation is covered under Section 504 and/or the Fair Housing Act, or any other applicable federal or state law; and

(B) Whether to approve the request, recommend to the Executive Director an alternative Reasonable Accommodation, or recommend denial. Any determination that would require Board action will first be presented to the Executive Director.

(4) If not approved as requested or if the determination requires Board action, the request and recommendation will then be sent to the Executive Director or their designee, resulting in one of the following steps:

(A) The Executive Director adopts an alternative Reasonable Accommodation for the Requestor;

(B) The Executive Director concurs that Board action is necessary and presents the request and recommendation at an ensuing Board meeting. The Executive Director can choose to include a recommendation for or against the request; or

(C) The Executive Director denies the request. In the case of a denial, the Requestor can ask that their request be placed on the agenda for the next available Board meeting for a final Board determination.

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 February 5, 2026.

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Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: March 22, 2026

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



10 TAC §1.6

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, 10 TAC §1.6, Historically Underutilized Businesses. The purpose of the proposed repeal is to eliminate the current rule while replacing it with a more current version of the rule.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because under §2001.0045(c)(1) this section does not apply to a rule that relates to state agency procurement.

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

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

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

1. The repeal does not create or eliminate a government program but relates to the handling of Historically Underutilized Businesses (HUBs) in procurement.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The repeal will not expand or contract the applicability of an existing regulation.
7. The repeal may affect the number of individuals subject to the rule's applicability, but that is correlated with the rules of the Comptroller which this rule is solely becoming compliant with.
8. The repeal will not negatively or positively affect the state's economy.

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

The Department has evaluated the repeal and determined that the repeal may create an economic effect on small or micro-businesses or rural communities, but that is correlated with the rules of the Comptroller which this rule is solely becoming compliant with.

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the proposed repeal. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.

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

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

§1.6. *Historically Underutilized Businesses.*

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 February 5, 2026.

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Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: March 22, 2026

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



10 TAC §1.6

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.6, Historically Underutilized Businesses. The purpose of the proposed rule is to ensure that the rule is compliant with the new emergency rulemaking issued by the Comptroller of Public Accounts relating to Historically Underutilized Businesses (HUBs). The Comptroller's rule changes the HUB program to ensure it complies with the Texas Constitution and U.S. Constitution and reflects that the program will serve small businesses owned by service-disabled veterans (SDV), regardless of race, sex or ethnicity and will be referred to as Veteran Heroes United in Business, or VetHUB.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because under §2001.0045(c)(1) this section does not apply to a rule that relates to state agency procurement.

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

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

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

1. The new section does not create or eliminate a government program but relates to the handling of Historically Underutilized Businesses in the Department's procurements.
2. The new section does not require a change to the work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The new section does not require additional future legislative appropriations.
4. The new section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The new section does not create a new regulation, except that it is replacing a section being repealed simultaneously to provide for revisions.
6. The new section will not expand or contract the applicability of an existing regulation.
7. The new section may affect the number of individuals subject to the rule's applicability, but that is correlated with the rules of the Comptroller which this rule is solely becoming compliant with.
8. The new section will not negatively or positively affect the state's economy.

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

The Department has evaluated the new section - to the extent that the changes in the HUB Program may create an economic effect on small or micro-businesses or rural communities, that is not due to the Department's rule changes, but due to the Comptroller's changes, which the Department is complying with.

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed section and also requests information related to the cost, benefit, or effect of the proposed section, including any applicable data, research, or analysis from any person required to comply with the new section or any other interested person. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.

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

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

§1.6. Historically Underutilized Businesses.

It is the policy and goal of the Department to encourage and increase the use of Veteran Heroes United in Business (VetHUBs), in the Department's procurement processes. The purpose of this rule is to implement the VetHUB program which serves small businesses owned by service disabled veterans, regardless of their race, sex, or ethnicity. As required by Tex. Gov't Code §2161.003, the Department adopts the Texas Comptroller of Public Accounts (Comptroller) HUB Program rules at 34 TAC §§20.281 - 20.298 (relating to Historically Underutilized Business Program, and as may be amended by the Comptroller so far as the amendments are implementing Tex. Gov't Code §2161.003), which describe the minimum steps and requirements to be undertaken by the Comptroller and state agencies to fulfill the state's VetHUB policy.

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 February 5, 2026.

TRD-202600543

Bobby Wilkinson
Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: March 22, 2026

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



10 TAC §1.16

The Texas Department of Housing and Community Affairs (the Department) proposes the amendment of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers. The rule is required to comply with Tex. Gov't Code Chapters 2263, 2270, and 2252 as it relates to the conduct applicable to financial advisors or service providers. The purpose of the amendment is to bring the rule into greater alignment with these Chapters and refer to the Comptroller's Texas Procurement and Contract Management Guide, Appendix 24.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are

associated with this action, and therefore no costs warrant being offset.

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

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

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

1. The amended section does not create or eliminate a government program but relates to the conduct applicable to financial advisors or service providers.
2. The amended section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The amended section does not require additional future legislative appropriations.
4. The amended section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amended section does not create a new regulation.
6. The amended section will not expand nor contract an existing regulation.
7. The amended section will not increase or decrease the number of individuals subject to the rule's applicability.
8. The amended section will not negatively or positively affect the state's economy.

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

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

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

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

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

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

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for

each year of the first five years the amended section is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held February 20, 2026, to March 22, 2026, to receive input on the newly proposed rule. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin (Central) local time, MARCH 22, 2026.

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

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

§1.16. *Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers.*

(a) Purpose. The purpose of this section is to establish standards of conduct applicable to financial advisors or service providers in accordance with Tex. Gov't Code Chapters 2263, 2270, and 2252.

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

(1) Department--The Texas Department of Housing and Community Affairs, (the "Department").

(2) Board--The Governing Board of the Department.

(3) Financial advisor or service provider--A person or business entity who acts as a financial advisor, financial consultant, money or investment manager, or broker who:

(A) may reasonably be expected to receive, directly or indirectly, more than \$10,000 in compensation from the Department during a fiscal year; or

(B) renders important investment or funds management advice to the Department or a member of the Board.

(c) Financial advisors and service providers will be contracted under, and required to comply with, all applicable provisions, disclosures and verifications as set out in the current version of the Texas Procurement and Contract Management Guide, Appendix 24. These provisions include, but are not limited to: verification regarding not boycotting energy companies or Israel, not engaging in business with Iran, Sudan, or foreign terrorist organizations, and not discriminating against firearm entities or trade associations, unless a statutory exception applies.

[(e) Anti-Boycott Verification: Financial advisors and service providers are required to comply with the requirements of Tex. Gov't Code Chapter 2270, which requires a representation by each financial advisor or service provider that their firm (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate):]

[(1) does not boycott Israel; and]

~~[(2) will not boycott Israel during the term for which they provide services to the Department.]~~

~~[(d) Iran, Sudan and Foreign Terrorist Organizations. Financial advisors and service providers are required to comply with the requirements of Tex. Gov't Code Chapter 2252, which requires a representation by each financial advisor or service provider that their firm (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate) is not an entity listed by the Texas Comptroller of Public Accounts under Tex. Gov't Code §2252.153 or §2270.0201.]~~

~~(d) [(e)] Exemption from Disclosure of Interested Parties. Financial advisors and service providers are required to comply with the requirements of Tex. Gov't Code Chapter 2252. Financial advisors and service providers that make a representation that their firm (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate) is a publicly traded business entity are exempt from Tex. Gov't Code §2252.908.~~

~~(c) [(f)] Disclosures and Statement.~~

~~(1) A financial advisor or service provider shall disclose in writing to the Executive Director of the Department and to the state auditor:~~

~~(A) any relationship the financial advisor or service provider has with any party to a transaction with the Department, other than a relationship necessary to the investment or funds management services that the financial advisor or service provider performs for the Department, if a reasonable person could expect the relationship to diminish the financial advisor's or service provider's independence of judgment in the performance of the person's responsibilities to the Department; and~~

~~(B) all direct or indirect pecuniary interests the financial advisor or service provider has in any party to a transaction with the Department, if the transaction is connected with any financial advice or service the financial advisor or service provider provides to the Department or to a member of the Board in connection with the management or investment of state funds.~~

~~(2) The financial advisor or service provider shall disclose a relationship described by this subsection without regard to whether the relationship is a direct, indirect, personal, private, commercial, or business relationship.~~

~~(3) A financial advisor or service provider shall file annually a statement with the Executive Director of the Department and with the state auditor. The statement must disclose each relationship and pecuniary interest described by this subsection, or if no relationship or pecuniary interest described by that subsection existed during the disclosure period, the statement must affirmatively state that fact.~~

~~(4) The annual statement must be filed not later than April 15 in the following form. The statement must cover the reporting period of the previous calendar year.~~

~~Figure: 10 TAC §1.16(e)(4)~~

~~[Figure: 10 TAC §1.16(f)(4)]~~

~~(5) The financial advisor or service provider shall promptly file a new or amended statement with the Executive Director of the Department and with the state auditor whenever there is new information to report under this subsection.~~

~~(6) A contract under which a financial advisor or service provider renders financial services or advice to the Department or a member of the Board is voidable by the Department if the financial advisor or service provider violates a standard of conduct adopted under this section.~~

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

Filed with the Office of the Secretary of State on February 5, 2026.

TRD-202600538

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: March 22, 2026

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



10 TAC §1.19

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.19 Reallocation of Financial Assistance. The purpose of the proposed repeal is to eliminate the current rule while replacing it with a more current version of the rule.

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

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

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

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

1. The repeal does not create or eliminate a government program but relates to how the Department will reallocate financial assistance.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The repeal will not expand or contract the applicability of an existing regulation.
7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The repeal will not negatively or positively affect the state's economy.

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

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed repeal action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Brooke Boston at brooke.boston@tdhca.texas.gov. **ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, March 22, 2026.**

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

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

§1.19. Reallocation of Financial Assistance.

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 February 5, 2026.

TRD-202600544

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: March 22, 2026

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



10 TAC §1.19

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.19 Reallo-

cation of Financial Assistance. The purpose of the proposed rule is to make revisions clarify that reallocation may occur not only for contracted funds, but also for funds that are committed or obligated, and in the case of funds that have been awarded but the awarded entity has failed to execute a contract.

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

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

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

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

1. The new section does not create or eliminate a government program but relates to how the Department will reallocate financial assistance.

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

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

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

5. The new section does not create a new regulation, except that it is replacing a section being repealed simultaneously to provide for revisions.

6. The new section will not expand or contract an existing regulation.

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

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

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

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed action and also requests information related to the cost, benefit, or effect of the proposed section, including any applicable data, research, or analysis from any person required to comply with the new section or any other interested person. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or by email to bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, March 22, 2026.

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

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

§1.19. Reallocation of Financial Assistance.

(a) Purpose. As provided for by Tex. Gov't Code §2306.111(h), this rule provides the policy for the reallocation of financial assistance, including assistance related to bonds, administered by the Department if the Department's obligation with respect to that assistance is prematurely terminated.

(b) It is the policy of the Department to take prudent measures to ensure that, when funds are provided to recipients for assistance, the funds are timely and lawfully utilized and that, if they cannot be timely and lawfully utilized by the initial recipient, there are mechanisms in place to reallocate those funds to other recipients in order to ensure the full utilization of funds in assisting beneficiaries.

(c) The reallocation of federal or state financial assistance administered by the Department may be required when:

(1) an administrator, subrecipient, owner, or contractor returns committed, obligated or contracted funds;

(2) an administrator, subrecipient, owner, or contractor has failed to timely execute a contract on awarded funds;

(3) reserved funds are not fully utilized at completion of an activity;

(4) balances on contracts remain unused;

(5) funds in a contract or reservation are partially or fully recaptured or terminated;

(6) funds in a contract that were used for an ineligible activity and have been repaid to the Department and the federal oversight agency is allowing the Department to still utilize the funds;

(7) required benchmarks or expenditure deadlines have not been achieved within the time frames agreed;

(8) there is program income; or

(9) other circumstances arise that prompt an initial recipient, owner, contractor, or administrator to be unable to utilize committed, obligated, or contracted funds.

(d) Reallocation of financial assistance for specific federal or state funding sources or programs administered by the Department is also governed by or provided for in:

(1) federal regulations and requirements;

(2) state rules relating to deobligation and reobligation adopted in other sections of this title;

(3) funding plans authorized by the Board governing federal or state resources that may have been reviewed and approved by the federal funding agency or submitted to the Texas Legislature;

(4) Notices of Funding Availability (NOFAs) and Requests for Applications (RFAs); or

(5) written agreements and contracts relating to the administration of such funds.

(e) To the extent that programs or funding sources are governed by any of the items provided for in subsection (d) of this section, and the specific documents listed in subsection (d) of this section do not require further Board approval for the reallocation of funds, no additional Board approval will be sought in order to perform the reallocation as provided for in those items. Reallocation of funding not governed by subsection (d) of this section will require Board approval.

(f) To the extent that certain programs are required to regionally allocate their annual allocations of funds, funds having originally been regionally allocated and needing to be reallocated under this section do not require that regional allocation be performed again, unless otherwise provided in the governing documents as provided for in subsection (d) of this section.

(g) Funds made available under this section may be aggregated over a period of time prior to being reallocated.

(h) Consistent with the requirements of Tex. Gov't Code §2306.111(h), if the Department's obligation of financial assistance related to bonds is terminated prior to issuance, the assistance will be reallocated among other activities permitted by that bond issuance and any indenture associated with those bonds, as approved by the Board.

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 February 5, 2026.

TRD-202600545

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

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



10 TAC §1.22

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 1, Ad-

ministration, Subchapter A, General Policies and Procedures, §1.22 Providing Contact Information to the Department. The purpose of the amended rule is to remove the requirement that fax information be updated.

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

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

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

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

1. The amended section does not create or eliminate a government program but relates to the requirement that any person or entities doing business with the Department must notify the Department of any change in contact information.
2. The amended section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The amended section does not require additional future legislative appropriations.
4. The amended section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amended section does not create a new regulation.
6. The amended section will not expand nor contract an existing regulation.
7. The amended section will not increase or decrease the number of individuals subject to the rule's applicability.
8. The amended section will not negatively or positively affect the state's economy.

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

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

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

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

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

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

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

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed section and also requests information related to the cost, benefit, or effect of the proposed section, including any applicable data, research, or analysis from any person required to comply with the amended section or any other interested person. The public comment period will be held February 20, 2026, through March 22, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.state.tx.us. **ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, March 22, 2026.**

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

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

§1.22. Providing Contact Information to the Department.

(a) Any person or entities doing business with the Department shall notify the Department, of any change in contact information, including names, addresses, telephone numbers[-] and email addresses [and fax numbers]. In addition, the notification shall include all Department contract numbers, project numbers or property names of any type. The notification shall be made as described in paragraphs (1) and (2) of this subsection:

- (1) by email sent to the director or manager of the applicable program; or
- (2) sent via the CMTS Attachment System.

(b) Only in cases in which email or access to the CMTS Attachment System is not available may the notification be sent by mail to Texas Department of Housing and Community Affairs, Contact Information Update, P.O. Box 13941, Austin, Texas 78711-3941.

(c) All persons or entities doing business with the Department are responsible for keeping their contact information current pursuant to subsection (a) of this section and as required by other Department rules. The Department is entitled to rely solely on the most recent contact information on file with the Department at the time any notice or other communication is sent.

(d) The notification requirements of this section are in addition to any other change of contact information notification requirements specific to certain divisions, funding sources or programs of the Department.

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

Filed with the Office of the Secretary of State on February 5, 2026.

TRD-202600541

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

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



TITLE 25. HEALTH SERVICES

PART 1. DEPARTMENT OF STATE HEALTH SERVICES

CHAPTER 226. MOBILE FOOD VENDORS

The executive commissioner of the Texas Health and Human Services Commission (HHSC), on behalf of the Department of State Health Services (DSHS), proposes new §226.1, concerning Purpose, Local Preemption, and Applicability; §226.2, concerning Definitions; §226.3, concerning Management and Personnel; §226.4, concerning Mobile Food Vendor Licensing; §226.6, concerning Mobile Food Vendor Requirements; and §226.8, concerning Mobile Food Vendor Inspections.

BACKGROUND AND PURPOSE

The purpose of the proposal is to implement House Bill (HB) 2844, 89th Legislature, Regular Session, 2025, which created Texas Health and Safety Code (HSC) Chapter 437B, concerning Mobile Food Vendors (MFVs). HB 2844 made significant changes to how MFVs are regulated, licensed, and inspected in Texas. The statute tasks DSHS with implementing a statewide licensing and inspection program for MFVs that includes creation of a contract structure by which Local Health Departments (LHDs) may conduct MFV inspections within their jurisdictions and be reimbursed by DSHS, as included in the new rules.

SECTION-BY-SECTION SUMMARY

Proposed new §226.1 describes the statutory authority for adopting the rules, the regulatory preemption of local authority, and applicability of other appropriate statutes, rules, and regulations.

Proposed new §226.2 defines terms used throughout the proposed rules.

Proposed new §226.3 sets general requirements regarding food safety education, employee health posters, and driver requirements for management and personnel.

Proposed new §226.4 establishes application, licensing, and fee requirements for MFVs that operate in Texas.

Proposed new §226.6 sets general requirements for all MFVs, including the responsibility to comply with all other state and local laws not conflicting with HSC 437B, the requirement for MFVs to be readily moveable, requirements for the potable water tank, and requirements to utilize a central preparation facility and servicing area unless properly exempted.

Proposed new §226.8 establishes categories for MFVs, criteria for reclassification, and parameters for inspections.

FISCAL NOTE

Christy Havel Burton, Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, there will be an estimated increase in revenue or additional cost to state government and a loss of revenue to local government as a result of enforcing and administering the rules as proposed. Enforcing or administering the rules has the following foreseeable implications relating to costs and revenues of state government.

The effect on state government for each year of the first five years the proposed rules are in effect is an estimated cost of \$3,996,653.50 in fiscal year (FY) 2026, \$6,814,085 in FY 2027, \$6,814,085 in FY 2028, \$6,814,085 in FY 2029, and \$6,814,085 in FY 2030 and an estimated increase in revenue of \$1,764,090 in FY 2026, \$17,829,000 in FY 2027, \$17,829,000 in FY 2028, \$17,829,000 in FY 2029, and \$17,829,000 in FY 2030.

GOVERNMENT GROWTH IMPACT STATEMENT

DSHS has determined that during the first five years the rules will be in effect:

- (1) the proposed rules will not create or eliminate a government program;
 - (2) implementation of the proposed rules will create new DSHS employee positions;
 - (3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;
 - (4) the proposed rules will require an increase in fees paid to DSHS, but a decrease in fees paid to local government;
 - (5) the proposed rules will create new regulations;
 - (6) the proposed rules will limit existing regulations; and
 - (7) the proposed rules will increase the number of individuals subject to the rules.
- (8) DSHS has insufficient information to determine the proposed rules' effect on the state's economy.

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

Christy Havel Burton has also determined there will be an adverse economic effect on small businesses, micro-businesses, or rural communities. There are some MFVs not previously required to obtain a license in some jurisdictions due to low-risk foods that will now be required to obtain a license as Category I MFVs. In addition, some MFVs may have to pay higher application and inspection fees under the new statewide licensing program. Any potential negative effect, due to higher fees, on microbusinesses or rural communities should be outweighed by the ability of MFVs to move freely across jurisdictional lines under a single statewide license.

DSHS estimates that the number of small businesses subject to the proposed rules is approximately 19,000. The projected economic impact for a small business is \$300-\$1,350 for the initial application and pre-licensing inspection and \$300-\$850 per year for license renewal. For Category II and III MFVs there will also be inspection costs of \$400-\$500 per inspection.

DSHS determined that alternative methods to achieve the purpose of the proposed rules for small businesses would not be consistent with ensuring the health and safety of consumers of food products prepared and sold from the regulated MFVs.

LOCAL EMPLOYMENT IMPACT

DSHS does not foresee a negative impact by the rules or statute on local employment.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules are necessary to protect the health, safety, and welfare of the residents of Texas and to implement legislation that does not specifically state that §2001.0045 applies to the rule.

PUBLIC BENEFIT AND COSTS

Dr. Timothy Stevenson, Deputy Commissioner, Consumer Protection Division, has determined that for each year of the first five years the rules are in effect, the public benefit will be more streamlined licensing and consistent inspections for all operators of MFVs to ensure food safety compliance for consumers.

Christy Havel Burton has also determined that for the first five years the rules are in effect, persons who are required to comply with the proposed rules may incur economic costs because some MFVs that were not previously required to obtain a license will now be required, and some MFVs may have to pay higher application and inspection fees under the new statewide licensing program.

REGULATORY ANALYSIS

DSHS has 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.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rule, as well as any applicable data, research, or analysis, may be submitted to Rules Coordination Office, P.O. Box 13247, Mail Code 4102, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or emailed to HHSRulesCoordinationOffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 25R051" in the subject line.

SUBCHAPTER A. GENERAL PROVISIONS

25 TAC §226.1, §226.2

STATUTORY AUTHORITY

The new sections are authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, Texas Health and Safety Code §1001.075, which authorizes the executive commissioner of HHSC to adopt rules for the administration of Texas Health and Safety Code Chapter 1001, and Texas Health and Safety Code Chapters 437 and 437B.

The new sections implement Texas Government Code §524.0151, Texas Health and Safety Code §1001.075, and Texas Health and Safety Code Chapters 437 and 437B.

§226.1. Purpose, Local Preemption, and Applicability.

(a) Purpose. The purpose of this chapter is to implement Texas Health and Safety Code (HSC) Chapter 437B, Mobile Food Vendors (MFVs).

(b) Local preemption. A local authority may not adopt a rule or enforce requirements that conflict with this chapter.

(c) Applicability of other statutes, rules, and regulations.

(1) MFVs must comply with all relevant laws and rules applicable to the preparation, holding, and service of food products in and from food vending vehicles, including:

(A) Texas HSC Chapter 431 (Texas Food, Drug, and Cosmetic Act);

(B) Texas HSC Chapter 437 (Regulation of Food Service Establishments, Retail Food Stores, Mobile Food Units, and Roadside Food Vendors);

(C) Texas HSC Chapter 437B (Mobile Food Vendors);

(D) Chapter 228 of this title (relating to Retail Food Establishments); and

(E) the United States Food and Drug Administration (FDA) 2022 Food Code (Food Code).

(2) MFVs must comply with all laws, ordinances, or orders passed by a municipality, county, or public health district in which the MFV operates, as long as the laws, ordinances, and orders do not conflict with Texas HSC Chapter 437B.

§226.2. Definitions.

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

(1) Applicant--A person who sends an application to the department for a license to operate as a mobile food vendor (MFV) under this chapter.

(2) Central preparation facility (CPF)--A facility approved by the regulatory authority for preparing, storing, serving, vending, or packaging food and for servicing the MFV, or other retail food establishments, such as outfitter operations. A commissary is a central preparation facility.

(3) Department--Texas Department of State Health Services.

(4) Fire Code--The National Fire Protection Association (NFPA) standards, including NFPA 1, NFPA 58 (Chapter 16), NFPA 96 (Chapter 17), or a Fire Code adopted by a local regulatory authority, whichever is more stringent.

(5) Food--A raw, cooked, or processed edible substance, ice, beverage, or ingredient used or intended for use or for sale in whole or in part for human consumption, or chewing gum.

(6) Food Code--United States Food and Drug Administration (FDA) 2022 Food Code.

(7) Food service establishment--A food establishment as defined in §228.2 of this title (relating to Definitions).

(8) Food vending vehicle--Any vehicle that is a self-enclosed food service establishment (including catering trucks, trailers, push carts, and roadside vendors) that operates to store, prepare, display, serve, or sell food as a food service establishment and is designed to be readily movable. A food vending vehicle may be self- or otherwise-propelled or be vehicle-mounted. A food vending vehicle does not include a stand or a booth.

(9) License holder--A person who holds an MFV license issued under this chapter.

(10) Local authority--A municipality, county, public health authority, special purpose district or authority, or any other political subdivision of this state.

(11) Mobile food vendor (MFV)--Any person who dispenses food or beverages from a food vending vehicle for immediate service or consumption. An MFV may cook, cool, hold, prepare, reheat, or conduct other activities allowed by the Food Code to fulfill food orders for immediate consumption. An MFV may not perform food manufacturer or food wholesaler activities under Texas Health and Safety Code (HSC) Chapter 431. An MFV does not include any operation that is not readily moveable. MFVs are divided into three categories:

(A) Type I--an MFV that dispenses only non-time and temperature control for safety (TCS) prepackaged food and does not sell TCS beverages, or an MFV that otherwise poses a low risk of harm to the public as determined by the department;

(B) Type II--an MFV that dispenses prepackaged TCS foods or food that requires limited handling and preparation, or TCS foods that are prepared to order and served for immediate consumption; processes may include preparing, cold holding, thawing, and/or reheating of commercially processed and/or packaged products for immediate consumption; and

(C) Type III--an MFV that prepares, cooks, holds, and serves food from a food vending vehicle; processes may include hot holding, cold holding, thawing, cooking, cooling, reheating, or conducting other activities allowed by the Food Code.

(12) Person--An individual, business, partnership, organization, corporation, or association.

(13) Prepackaged food--Commercially labeled and processed food that is already in a package to stop direct contact with the food during distribution by the manufacturer, food facility, or other approved source. Prepackaged does not include food only wrapped or placed in a carry-out container by a food employee, at the consumer's request.

(14) Pushcart--A non-self-propelled food vending vehicle limited to serving foods requiring a limited amount of preparation as authorized by the regulatory authority and readily movable by one or two people. A pushcart is classified as a food vending vehicle. A pushcart does not include non-self-propelled units owned and operated within a retail food store. This type of vehicle requires the support of a central preparation facility.

(15) Readily moveable--Able to easily move without delay or difficulty; free of alterations, attachments, additions, placement, or change in, under, or upon the mobile food unit that prevent or otherwise reduce the ability to easily move without delay or difficulty. Readily moveable also includes any other requirements set forth by the regulatory authority.

(16) Regulatory authority--The department. The department may enter into a collaborative agreement to allow a local authority to inspect on the department's behalf. When such an agreement is in place, the local authority has full authority to conduct health inspections as the department's representative.

(17) Roadside food vendor--A person who operates a food vending vehicle from a temporary location adjacent to a public road or highway. Food is not prepared or processed by a roadside food vendor. A roadside food vendor is classified as an MFV.

(18) Servicing area--A location that an MFV visits to fill the potable water tank with potable water from an approved source and to empty grease, cooking waste, and sewage from the wastewater tank into a wastewater collection system as allowed by law and approved by the regulatory authority.

(19) TCS--Time/temperature control for safety.

(20) TCS food--Time and temperature control for safety food, as defined in Food Code §1-201.10.

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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Cynthia Hernandez

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Department of State Health Services

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SUBCHAPTER B. MANAGEMENT AND PERSONNEL

25 TAC §226.3

STATUTORY AUTHORITY

The new section is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, Texas Health and Safety Code §1001.075, which authorizes the executive commissioner of HHSC to adopt rules for the administration of Texas Health and Safety Code Chapter 1001, and Texas Health and Safety Code Chapters 437 and 437B.

The new section implements Texas Government Code §524.0151, Texas Health and Safety Code §1001.075, and Texas Health and Safety Code Chapters 437 and 437B.

§226.3. *Management and Personnel.*

(a) Except as specified in subsection (b) of this section, a certified food protection manager must be present at the food establishment

during all hours of operation as required in the Food and Drug Administration (FDA) 2022 Food Code (Food Code) §2-101.11 and §2-102.12.

(b) Food establishments deemed by the regulatory authority to pose minimal risk of causing or contributing to foodborne illness based on the nature of the operation and extent of food preparation are exempt from the requirements in subsection (a) of this section. The exemption includes:

(1) a Type I mobile food vendor (MFV); or
(2) other MFVs that do not prepare, handle, or hold TCS food.

(c) All employees involved in the preparation and service of food products, except for certified food protection managers, must successfully complete an accredited food handler training course within 30 days of employment.

(d) MFVs must display a sign or poster notifying food employees to report any symptoms or medical diagnoses related to diseases that can be spread through food. The sign or poster must be displayed where all employees can easily see the sign or poster.

(e) Driver requirements.

(1) A person who drives a motorized food vending vehicle must possess a valid driver's license as required by Texas Transportation Code Chapter 521.

(2) A person who drives a motorized food vending vehicle must hold a current commercial driver's license if required by Texas Transportation Code Chapter 522.

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

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SUBCHAPTER C. LICENSING

25 TAC §226.4

STATUTORY AUTHORITY

The new section is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, Texas Health and Safety Code §1001.075, which authorizes the executive commissioner of HHSC to adopt rules for the administration of Texas Health and Safety Code Chapter 1001, and Texas Health and Safety Code Chapters 437 and 437B.

The new section implements Texas Government Code §524.0151, Texas Health and Safety Code §1001.075, and Texas Health and Safety Code Chapters 437 and 437B.

§226.4. *Mobile Food Vendor Licensing.*

(a) A mobile food vendor (MFV) must have a current MFV license from the department to operate as an MFV in Texas. An MFV must have a separate license for each food vending vehicle operated by the MFV.

(b) An MFV license is valid for one year from the date of issuance and must be renewed annually. The license is non-transferable.

(c) Application requirements.

(1) An MFV must apply for a license from the department using the form the department prescribes. The application must include:

(A) the applicant's name, address, email address, and telephone number;

(B) the name, address, email address, and telephone number for any associated entity or organization represented by the applicant, along with copies of documents showing proof of that relationship;

(C) the primary residences and business addresses of the applicant for the 12 months before the application date;

(D) the following documentation:

(i) a description of the processes to be used in the operation (e.g., prepackaged, non-TCS foods only, cook-serve, cook-cool-reheat-serve, etc.); and

(ii) a copy of the menu or a list of all food and beverage products to be prepared, sold, or served;

(E) a statement regarding whether the applicant has ever been denied an MFV license, or had an MFV license suspended or revoked by any governmental entity, and the reason for any denial, suspension, or revocation;

(F) the following for each motorized food vending vehicle for which the applicant is applying:

(i) the vehicle: license number, description, identification number, and registration;

(ii) proof of vehicle insurance;

(iii) proof of vehicle weight as issued by Texas Department of Transportation; and

(iv) a copy or proof of any additional commercial vehicle licenses or permits required by this state; and

(G) a list of the locations at which the vendor intends to operate, to the best of the vendor's knowledge. The MFV may provide the department with a list of locations by providing a link to the MFV's social media page or website. If the vendor does not provide the list of operating locations on a social media page or website, the MFV shall submit the list of operating locations to the department in the form and manner the department prescribes.

(2) The applicant must provide a notarized written statement that all information provided under paragraph (1) of this subsection is true and correct.

(3) The applicant may submit one application for all food vending vehicles that require licensing under this subchapter. A separate licensing fee is required for each food vending vehicle.

(4) If an applicant does not submit a complete and accurate application, the license may be denied or delayed.

(5) Intentional submission of false information or omission of requested information on an application may result in denial, delay, or revocation of a license.

(d) Before a license is issued, each proposed food vending vehicle must be inspected by the regulatory authority. The inspection must confirm that:

(1) each food vending vehicle is safe for preparation, handling, and selling food; and

(2) each vendor complies with all applicable laws and rules.

(e) An applicant must pay fees for each food vending vehicle:

(1) a non-refundable application fee, as follows:

(A) \$300 for each Type I MFV;

(B) \$600 for each Type II MFV; and

(C) \$850 for each Type III MFV;

(2) a pre-licensing health inspection fee, as follows:

(A) \$400 for each Type II MFV; and

(B) \$500 for each Type III MFV;

(3) an inspection fee for health inspections, as follows:

(A) \$400 for each Type II MFV; and

(B) \$500 for each Type III MFV; and

(4) an inspection fee for compliance inspections and complaint investigations, as follows:

(A) \$300 for each Type I MFV;

(B) \$400 for each Type II MFV; and

(C) \$500 for each Type III MFV.

(f) A fee for randomized health inspections of Type II and Type III MFVs, per subsection (e)(3) of this section, must be paid at the time of initial or renewal application.

(g) Fees for complaint investigations and compliance inspections to determine corrective actions must be paid by the MFV at the time of the MFV's next license renewal application.

(h) If there are changes in the operation that require a licensing amendment as outlined in this chapter, an amendment fee is required. The amendment fee is half of the initial license application fee.

(i) For all initial and renewal license applications submitted through Texas.gov, the department is authorized to collect fees in amounts determined by the Texas Department of Information Resources to recover costs associated with using Texas.gov.

(j) A person filing a renewal license application after the expiration date must pay an additional \$100 as a late fee. The license holder must submit a renewal application and license fees before the expiration date of the license.

(k) Renewal, transferability, and substitution of vehicle.

(1) MFV licenses must be renewed on an annual basis, within 12 months of the date of issuance.

(2) To renew a license, the MFV must submit a renewal application and all required fees, as outlined in subsections (c), (e), (f), and (g) of this section, to the department before the current license expires. A pre-licensing inspection and related fee is not required for a

renewal application unless the application includes a change of category or the food vending vehicle has been replaced.

(3) An MFV license issued under this subchapter cannot be transferred to another person or business. Only the person or business named on the license is permitted to operate as the MFV.

(4) When a food vending vehicle is replaced with another vehicle, the license holder must provide the department all information required by subsection (c)(1)(F) of this section for a motorized vehicle. The replacement vehicle must be inspected as stated in subsection (d) of this section.

(5) Any person receiving MFV business assets must apply for a new MFV license before operating as an MFV. This includes situations such as change of ownership of food vending vehicle, change of ownership of MFV, or acquisition of a new food vending vehicle.

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SUBCHAPTER D. REQUIREMENTS

25 TAC §226.6

STATUTORY AUTHORITY

The new section is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, Texas Health and Safety Code §1001.075, which authorizes the executive commissioner of HHSC to adopt rules for the administration of Texas Health and Safety Code Chapter 1001, and Texas Health and Safety Code Chapters 437 and 437B.

The new section implements Texas Government Code §524.0151, Texas Health and Safety Code §1001.075, and Texas Health and Safety Code Chapters 437 and 437B.

§226.6. Mobile Food Vendor Requirements.

(a) Compliance with state and local laws. Mobile food vendors (MFVs) must comply with all state and local laws that do not conflict with this chapter or Texas Health and Safety Code (HSC) Chapter 437B. This includes fire codes, location rules, and zoning codes in the jurisdictions where the MFV operates.

(b) MFV provisions.

(1) Mobile food vendors must adhere to Food Code §8-304.11, Responsibilities of the Permit Holder.

(2) General. Except as otherwise provided in this paragraph and in paragraph (3) of this subsection, the regulatory authority may waive or change physical facility requirements in this section if a public health hazard is not likely to occur. The following requirements may not be waived:

(A) paragraphs (8) - (10) of this subsection;

(B) subsection (c)(3) of this section; and

(C) Food Code Subparts 3-401, 3-402, 3-403, 3-404, and 3-501.

(3) Restricted operation. An MFV that only serves food prepared and packaged in individual servings that is stored and transported as required by this chapter, or beverages that are non-TCS food and served from covered urns or other protected equipment, is not required to comply with:

(A) water and sewage system requirements; and

(B) cleaning and sanitizing equipment and utensil requirements if cleaning and sanitizing equipment is available at the central preparation facility.

(4) Readily movable.

(A) There shall be no alteration, removal, attachments, additions, placement, or change in, under, around, or on the food vending vehicle that prevents or otherwise reduces mobility.

(B) A food vending vehicle may connect to a utility only when filling the potable water tank, emptying the wastewater tank, or temporarily connecting to an electrical source. The vehicle must not remain connected to:

(i) a water supply hose during operation, except when filling the potable water tank;

(ii) an external sewage or water disposal system during operation, except when emptying the wastewater tank;

(iii) an external electrical source, if it is the only means for powering the food vending vehicle; or

(iv) an external gas source, except if it is self-contained and affixed to the food vending vehicle.

(C) The regulatory authority may require an MFV to move the food vending vehicle as often as required to a location designated by the regulatory authority to demonstrate the food vending vehicle is readily moveable. The food vending vehicle must be fully functional and free of any temporary utility connection, including electricity, water, and wastewater, at any location while operating or any location designated by the regulatory authority. A food vending vehicle must always be readily movable.

(5) Single-service articles. An MFV must provide only single-service articles for use by the consumer.

(6) Equipment, numbers, and capacities.

(A) Cooling, heating, and holding capacities. Equipment used for cooling and heating food, and holding cold and hot food, must be sufficient in number and capacity to provide food temperatures as specified under the Food Code Chapter 3 - Food. If capacity is insufficient for a process on a food vending vehicle or a central preparation facility (CPF), then that process may not occur on the food vending vehicle or a CPF.

(B) Manual warewashing and sink compartment requirements.

(i) A sink with at least three compartments must be available for manually washing, rinsing, and sanitizing equipment and utensils, as required by Food Code Paragraph 4-301.12(A).

(ii) Sink compartments must be large enough to completely cover the largest equipment and utensils with water, as required by Food Code Paragraph 4-301.12(B).

(C) Handwashing sinks. At least one handwashing sink must be present inside the MFV with employee access for easy use. The handwashing sink must have soap and drying devices, as required by Food Code §6-301.11 and §6-301.12. MFVs that only sell prepackaged food are not required to have an operational handwashing sink.

(7) Food vending vehicle water system requirements. The food vending vehicle water systems must meet all material, design, and operation requirements in Food Code Part 5-3.

(8) The drinking water tank. The food vending vehicle drinking water tank must meet all requirements specified in Food Code §5-303.13.

(A) A fill hose and water holding tank must be labeled as "Potable Water."

(B) A holding tank must be tested for contamination by collecting a sample upon request by the regulatory authority.

(9) Sewage and other liquid waste.

(A) Liquid waste from operating a food vending vehicle must be stored in a retention tank that is permanently installed for holding waste.

(B) A leak-proof sewage holding tank in a food vending vehicle must meet the requirements of Food Code §5-401.11 for capacity and drainage.

(C) All connections on the vehicle that are used for servicing MFV waste disposal facilities must be a different size or type than the connections used for supplying potable water to the MFV. All connections must form a tight and complete seal.

(D) Liquid waste must not be released from the retention tank while the MFV is moving.

(E) A waste retention tank must be flushed in accordance with Food Code §5-402.15.

(F) MFV waste must be removed in accordance with Food Code Part 5-4.

(G) Liquid waste holding tanks must be labeled "Wastewater."

(10) MFV water and wastewater exemption. Roadside vendors that only sell prepackaged food do not have to comply with the water and wastewater requirements in this chapter.

(11) Toilet room requirements. Toilet rooms must be conveniently located and accessible to employees at all times during operations.

(12) Specialized processes. Specialized processing methods, as outlined in Food Code §3-502.11 and §3-502.12, must not be conducted by an MFV on a food vending vehicle. These processes may be conducted when approved by the regulatory authority at CPFs.

(c) Central preparation facility (CPF).

(1) Supplies, cleaning, and servicing operations. Unless all conditions listed in paragraph (3) of this subsection are met, an MFV must operate from a CPF or another fixed food establishment. An MFV must report to this location as required by the regulatory authority for supplies, cleaning, and servicing operations.

(2) Construction. The CPF or other fixed food establishment that serves as the base of operation for an MFV must meet construction and operation standards in accordance with Food Code Chapter 6 - Physical Facilities.

(3) CPF exemption. An MFV may operate without a CPF or commissary if all requirements of this paragraph are met. Each requirement must be checked during inspection. Requirements include the following.

(A) Equipment for cooling and heating food, and holding cold and hot food, must be sufficient in number and capacity on the food vending vehicle to provide food temperatures as specified in Food Code Chapter 3 - Food.

(B) All food stored on the food vending vehicle must be kept in a way that prevents cross contamination and contamination from other sources as described in Food Code Chapter 3 - Food.

(C) Food equipment, utensils, and single-service articles must be stored on the food vending vehicle in a way that prevents contamination. Storage practices must comply with requirements in Food Code Chapter 3- Food and Chapter 4- Equipment, Utensils, and Linens.

(D) Food vending vehicle warewashing compartments must be large enough to completely cover the largest equipment and utensils with water, as required by Food Code Paragraph 4-301.12(B).

(E) Potable water for the food vending vehicle must come from an approved source as outlined in Chapter 228, Subchapter E of this title (relating to Water, Plumbing, and Waste) and Food Code Part 5-1. Potable water cannot be taken from an untested water well or from a private residence.

(F) Sewage and other liquid waste must be removed from the food vending vehicle at a facility approved for waste servicing or by a sewage transport vehicle. Removal of waste must not cause a risk to public health or create a nuisance as defined by state or local law, regulation, or ordinance.

(G) The MFV must keep records that include the physical address and letters of authorization, if needed, for approved sources of potable water and disposal locations for wastewater. The MFV must always keep the records available for review on the food vending vehicle, and the records must be applicable to the current licensing cycle and locations of operation.

(H) The MFV must keep records that show proof of loaded vehicle weight as issued by Texas Department of Transportation.

(d) Outdoor servicing area and operations, if used.

(1) Protection.

(A) An MFV servicing area must provide overhead protection for any supplying, cleaning, or servicing activity. Overhead protection is not required for areas only used for loading water or discharging sewage and other liquid waste through a closed hose system.

(B) The location for flushing and draining liquid waste in the servicing area must be separate from the area used for potable water servicing and from the area used for loading and unloading food and related supplies.

(C) A servicing area is not required when only prepackaged food is held and dispensed from the MFV or when the MFV does not have waste retention tanks.

(D) The servicing area's surface must be made of smooth, nonabsorbent material, such as concrete or machine-laid asphalt. The servicing area's surface must remain in good condition, always clean, and be graded to drain.

(E) Potable water servicing equipment must be installed in the servicing area as required by the Plumbing Code, as defined in

§228.2 of this title (relating to Definitions). The equipment must be stored and handled in a way that keeps both the water and the equipment from becoming contaminated.

(2) Construction exemption. Walls and ceilings in the servicing area do not have to meet the requirements in Food Code §6-201.11.

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SUBCHAPTER E. INSPECTIONS

25 TAC §226.8

STATUTORY AUTHORITY

The new section is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, Texas Health and Safety Code §1001.075, which authorizes the executive commissioner of HHSC to adopt rules for the administration of Texas Health and Safety Code Chapter 1001, and Texas Health and Safety Code Chapters 437 and 437B.

The new section implements Texas Government Code §524.0151, Texas Health and Safety Code §1001.075, and Texas Health and Safety Code Chapters 437 and 437B.

§226.8. Mobile Food Vendor Inspections.

(a) Mobile food vendor (MFV) categories. The department assigns each MFV to a category based on the type of food served and how the food is prepared. Each category of MFV is described in the definition of "mobile food vendor (MFV)" in §226.2 of this chapter.

(b) Reclassification. When an MFV wants to sell food or beverages that require a different category than initially approved, the MFV must inform the department about the specific food or beverages to be sold. The regulatory authority may conduct a health inspection to decide if a new category is needed.

(c) Health inspection. The regulatory authority may require an MFV to appear at a location chosen by the regulatory authority. The food vending vehicle must be fully functional at the time of inspection, including proper operation of handwash stations, warewash equipment, refrigeration units, and wastewater disposal systems. The following documentation must be available during inspection:

(1) Certified Food Protection Manager and Food Handler Certification;

(2) central preparation facility (CPF) authorization (if required): a signed letter of authorization is required, to verify facility use, if the CPF is not owned by the mobile unit operator;

(3) CPF inspection report (if required);

(4) servicing area documentation and authorization: the MFV must keep the following records on the food vending vehicle:

(A) records that show use of an approved water source and an approved sanitary sewage system; such records may include invoices, written agreements, or other available evidence;

(B) a servicing area activity log that must show the date and time the MFV obtained potable water, properly disposed sewage and other liquid waste, or properly disposed grease or other cooking waste; and

(C) a signed letter by the department or local authority, if applicable, giving authorization to use a servicing area, if the servicing area is not owned by the MFV; and

(5) a menu of all food items to be sold.

(d) Notice of location for inspections. An MFV must provide the department, to the best of the vendor's knowledge, a list of all planned locations of operation along with an itinerary listing the dates and times the MFV plans to operate at these locations. The itinerary must be provided at least seven days before the first date listed in the itinerary. The MFV can share the itinerary on the MFV's social media or website. If the MFV does not post the itinerary on social media or the vendor's internet website, the MFV must send the itinerary to the department, in the form and way the department requires.

(1) The regulatory authority must be able to find and inspect an MFV using the provided itinerary. If an MFV cannot be located, then the regulatory authority may require an MFV to come to a location designated by the regulatory authority.

(2) If an MFV is not able to be located according to provided itinerary or does not appear for an inspection agreed upon by the regulatory authority then the MFV's license may be subject to suspension or revocation.

(e) An MFV must allow inspection by a representative of the regulatory authority during any hours of operation to check compliance with this chapter. An MFV's refusal of inspection or cooperation with a complaint investigation may result in suspension or revocation of a license. Refusal to allow an inspection by a local authority acting under a collaborative agreement with the regulatory authority will be considered a refusal to allow the regulatory authority to inspect.

(f) The MFV must provide the required valid driver's license or commercial driver's license upon request to the regulatory authority during pre-licensing, routine health inspections, and investigations. Driver's licenses required for the operation of the food vending vehicle must be present during all hours of MFV operation.

(g) Refusal, revocation, or suspension of a license; administrative penalties.

(1) Basis. The department may refuse an application for a license or may revoke or suspend a license for violations of this chapter or for interference with a department representative in the performance of their duties under this chapter.

(2) Hearings. Any hearings for the refusal, revocation, or suspension of a license are governed by §§1.21, 1.23, 1.25, and 1.27 of this title (relating to Formal Hearing Procedures) or under the provisions of the Texas Government Code Chapter 2001, Administrative Procedure Act.

(3) Reinstatement. A former license holder may apply for reinstatement of a suspended license by demonstrating corrections and controls are implemented to prevent future violations. The department may reinstate the license after the department has determined the MFV no longer poses a risk to public health and safety. The department may

also require employees of a MFV to successfully complete a department-accredited training course on food safety principles before reinstatement of the license.

(4) Administrative penalties. Administrative penalties in Texas Health and Safety Code §437.018, and in §229.261 of this title (relating to Assessment of Administrative Penalties), may be assessed for violations of this chapter.

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TITLE 31. NATURAL RESOURCES AND CONSERVATION

PART 2. TEXAS PARKS AND WILDLIFE DEPARTMENT

CHAPTER 65. WILDLIFE

SUBCHAPTER A. STATEWIDE HUNTING PROCLAMATION

The Texas Parks and Wildlife Department proposes amendments to 31 TAC §§65.3, 65.42, 65.64, and 65.66, concerning the Statewide Hunting Proclamation.

The proposed amendment to §65.3, concerning Definitions, would modify the definition of "muzzleloader" with respect to references on how the firearm is loaded. The proposed change would clarify that the term "muzzleloader" applies to any firearm designed such that the bullet or projectile can be loaded only through the muzzle. Modern muzzleloading technology features various design changes that have caused confusion regarding use of this new technology and its legality under the current definition of muzzleloader. The proposed amendment is intended to eliminate ambiguity and expand hunting opportunities during muzzleloader season.

The proposed amendment to §65.42, concerning Deer, would increase the number of "doe days" in 21 counties located in the Post Oak Savannah ecoregion. The department manages deer populations by the deer management unit (DMU) concept, which organizes the state into specific areas that share similar soil types, vegetative communities, land-use practices, and deer population characteristics. In this way, deer seasons, bag limits, and special provisions can be more effectively analyzed to monitor the efficacy of management strategies on deer populations within each DMU. In some DMUs characterized by fragmented habitat, high hunting pressure, and large numbers of small acreage properties, the department protects the reproductive potential of the population by restricting the time during which antlerless deer may be taken with a firearm, known

colloquially as "doe days." The department has determined that a 16-plus doe-day structure that begins the second Saturday of November and closes the Sunday following Thanksgiving Day can be implemented in 21 counties that currently have four doe days. Department population and harvest data indicate that deer densities are increasing within the affected DMUs and that antlerless harvest is less than half of the total harvest, which is resulting in a skewed sex ratio that is undesirable. The proposed amendment is intended to provide additional hunting opportunities within the tenets of sound biological management, and address resource concerns such as increasing deer densities and habitat degradation.

The proposed amendments to §65.64, concerning Turkey, would prohibit the harvest of unbearded hens statewide. The department has observed significant declines in turkey populations over the past 10 years in Texas, as indicated by United States Geodetic Survey (USGS) Breeding Bird Survey results. Recent research suggests that hen abundance during the nesting season is the most impactful variable to long-term sustainability. The department believe the proposed change would reduce overall hen harvest in the state and, potentially, improve recruitment. The proposed amendment to §65.64 also would close turkey seasons in Matagorda and Wharton counties. Mandatory harvest reporting has been in place in these counties since 2022. In the past three years, no turkey harvest has been reported in Matagorda County, and only one--a banded bird released under a Trap, Transport, and Transplant (TTT) permit--has been reported in Wharton County. Additionally, turkey distribution, surveys indicate that Matagorda County has no or minimal turkey populations, and the data for Wharton County indicates turkeys in one area near a previous TTT release site. With the proposed closures, the department will explore opportunities to restock turkeys in these areas, focusing on private lands where landowners are interested and suitable habitat exists.

The proposed amendment to §65.66, concerning Chachalaca, would open the chachalaca hunting season on the first day in November and close it on the last day in February. The proposed amendment would make chachalaca season concurrent with quail season, which is intended to maintain consistency and simplify hunting regulations across the state. The department has determined that the proposed change would have no biological impact on chachalaca populations.

Shaun Oldenburger, Wildlife Division Small Game Program Director, has determined that for each of the first five years that the rules as proposed are in effect, there will be no fiscal implications to state or local governments as a result of administering or enforcing the rules.

Mr. Oldenburger also has determined that for each of the first five years that the rules as proposed are in effect, the public benefit anticipated as a result of enforcing or administering the proposed rules will be the dispensation of the agency's statutory duty to protect and conserve the resources of this state, the duty to equitably distribute opportunity for the enjoyment of those resources among the citizens, and the execution of the commission's policy to maximize recreational opportunity within the precepts of sound biological management practices.

There will be no adverse economic effect on persons required to comply with the rules as proposed.

Under the provisions of Government Code, Chapter 2006, a state agency must prepare an economic impact statement and a

regulatory flexibility analysis for a rule that may have an adverse economic effect on small businesses, micro-businesses, or rural communities. As required by Government Code, §2006.002(g), the Office of the Attorney General has prepared guidelines to assist state agencies in determining a proposed rule's potential adverse economic impact on small and microbusinesses and rural communities. Those guidelines state that an agency need only consider a proposed rule's direct adverse economic impacts to determine if any further analysis is required. The department considers "direct economic impact" to mean a requirement that would directly impose recordkeeping or reporting requirements; impose taxes or fees; result in lost sales or profits; adversely affect market competition; or require the purchase or modification of equipment or services.

The department has determined that the proposed rules regulate various aspects of recreational license privileges that allow individual persons to pursue and harvest wildlife resources in this state and therefore do not directly affect small businesses, micro-businesses, or rural communities. Therefore, neither the economic impact statement nor the regulatory flexibility analysis described in Government Code, Chapter 2006, is required.

The department has not drafted a local employment impact statement under the Administrative Procedures Act, §2001.022, as the agency has determined that the rules as proposed will not impact local economies.

The department has determined that Government Code, §2001.0225 (Regulatory Analysis of Major Environmental Rules), does not apply to the proposed rules.

The department has determined that there will not be a taking of private real property, as defined by Government Code, Chapter 2007, as a result of the proposed rules.

In compliance with the requirements of Government Code, §2001.0221, the department has prepared the following Government Growth Impact Statement (GGIS). The ruled as proposed, if adopted, will neither create nor eliminate a government program; not result in an increase or decrease in the number of full-time equivalent employee needs; not result in a need for additional General Revenue funding; not affect the amount of any fee; not create a new regulation; limit an existing regulation (by closing turkey seasons in two counties and prohibiting the harvest of unbearded hens), expand an existing regulation (by adding doe days in 21 counties and restoring turkey season countywide in one county); neither increase nor decrease the number of individuals subject to regulation; and not positively or adversely affect the state's economy.

Comments concerning the proposed rules affecting big game species may be submitted to Blaise Korzekwa at (512) 415-8459, e-mail: blaise.korzekwa@tpwd.texas.gov. Comments concerning the proposed rules affecting turkey or chachalaca may be submitted to Shaun Oldenburger at (512) 757-6067, email: shaun.oldenburger@tpwd.texas.gov. Comments also may be submitted via the department's website at https://tpwd.texas.gov/business/feedback/public_comment/.

DIVISION 1. GENERAL PROVISIONS

31 TAC §65.3

The amendment is proposed under the authority of Parks and Wildlife Code, Chapter 61, which requires the commission to regulate the periods of time when it is lawful to hunt, take, or possess game animals, game birds, or aquatic animal life in this state; the means, methods, and places in which it is lawful to hunt, take,

or possess game animals, game birds, or aquatic animal life in this state; the species, quantity, age or size, and, to the extent possible, the sex of the game animals, game birds, or aquatic animal life authorized to be hunted, taken, or possessed; and the region, county, area, body of water, or portion of a county where game animals, game birds, or aquatic animal life may be hunted, taken, or possessed.

The proposed amendment affects Parks and Wildlife Code, Chapter 61.

§65.3. *Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. All other words and terms in this chapter shall have the meanings assigned in the Texas Parks and Wildlife Code.

(1) - (24) (No change.)

(25) Muzzleloader--Any firearm designed such that the [propellant and] bullet or projectile can be loaded only through the muzzle.

(26) - (36) (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 February 9, 2026.

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James Murphy

General Counsel

Texas Parks and Wildlife Department

Earliest possible date of adoption: March 22, 2026

For further information, please call: (512) 389-4775



DIVISION 2. OPEN SEASONS AND BAG LIMITS

31 TAC §§65.42, 65.64, 65.66

The amendments are proposed under the authority of Parks and Wildlife Code, Chapter 61, which requires the commission to regulate the periods of time when it is lawful to hunt, take, or possess game animals, game birds, or aquatic animal life in this state; the means, methods, and places in which it is lawful to hunt, take, or possess game animals, game birds, or aquatic animal life in this state; the species, quantity, age or size, and, to the extent possible, the sex of the game animals, game birds, or aquatic animal life authorized to be hunted, taken, or possessed; and the region, county, area, body of water, or portion of a county where game animals, game birds, or aquatic animal life may be hunted, taken, or possessed.

The proposed amendments affect Parks and Wildlife Code, Chapter 61.

§65.42. *Deer.*

(a) (No change.)

(b) White-tailed deer. The open seasons and bag limits for white-tailed deer shall be as follows.

(1) (No change.)

(2) North Zone. The general open season for the counties listed in this paragraph is from the first Saturday in November through the first Sunday in January.

(A) - (F) (No change.)

(G) In Austin, Bastrop, Caldwell, Colorado, Comal (east of IH 35), DeWitt, Fayette, Goliad (north of U.S. Highway 59), Gonzales, Guadalupe, Hays (east of IH 35), Jackson (north of U.S. Highway 59), Karnes, Lavaca, Lee, Travis (east of IH 35), Victoria (north of U.S. Highway 59), Waller, Washington, Wharton (north of U.S. Highway 59), and Wilson counties:

(i) - (ii) (No change.)

(iii) antlerless deer may be taken from the second Saturday of November [~~Thanksgiving Day~~] through the Sunday immediately following Thanksgiving Day.

(iv) (No change.)

(H) - (K) (No change.)

(3) - (6) (No change.)

(7) Special Youth-Only Seasons. There shall be special youth-only general hunting seasons in all counties where there is a general open season for white-tailed deer.

(A) - (C) (No change.)

(D) Provisions for the take of antlerless deer in the individual counties listed in paragraph (2)(G) of this subsection shall be as specified in those counties for the period of time from the second Saturday of November [~~Thanksgiving Day~~] through the Sunday immediately following Thanksgiving Day.

(E) - (G) (No change.)

(c) (No change.)

§65.64. *Turkey.*

(a) (No change.)

(b) The open seasons and bag limits for turkey shall be as follows.

(1) Fall seasons and bag limits:

(A) (No change.)

(B) In Brooks, Kenedy, Kleberg, and Willacy counties, there is a fall general open season.

(i) (No change.)

(ii) Bag limit: four turkeys, gobblers or bearded hens [either sex].

(C) The counties and portions of counties listed in this subparagraph are in the Fall North Zone. In Archer, Armstrong, Bandera, Baylor, Bell (west of Interstate Highway 35), Bexar, Blanco, Borden, Bosque, Briscoe, Brown, Burnet, Callahan, Carson, Childress, Clay, Coke, Coleman, Collingsworth, Comal (west of Interstate Highway 35), Comanche, Concho, Cooke, Coryell, Cottle, Crane, Crockett, Crosby, Dawson, Denton, Dickens, Donley, Eastland, Ector, Edwards, Erath, Fisher, Floyd, Foard, Garza, Gillespie, Glasscock, Gray, Hall, Hamilton, Hardeman, Hartley, Haskell, Hays (west of Interstate Highway 35), Hemphill, Hill (west of Interstate Highway 35 East), Hood, Howard, Hutchinson, Irion, Jack, Johnson, Jones, Kendall, Kerr, Kimble, King, Kinney (north of U.S. Highway 90), Knox, Lampasas, Lipscomb, Llano, Lubbock, Lynn, Martin, Mason, McCulloch, McLennan (west of Interstate Highway 35), Medina

(north of U.S. Highway 90), Menard, Midland, Mills, Mitchell, Montague, Moore, Motley, Nolan, Ochiltree, Oldham, Palo Pinto, Parker, Potter, Randall, Reagan, Real, Roberts, Runnels, San Saba, Schleicher, Scurry, Shackelford, Somervell, Stephens, Sterling, Stonewall, Sutton, Swisher, Tarrant, Taylor, Throckmorton, Tom Green, Travis (west of Interstate Highway 35), Upton, Uvalde (north of U.S. Highway 90), Val Verde (north of a line beginning at the International Bridge and proceeding along Spur 239 to U.S. Hwy. 90 and thence to the Kinney County line), Ward, Wheeler, Wichita, Wilbarger, Williamson (west of Interstate Highway 35), Wise, and Young counties, there is a fall general open season.

(i) (No change.)

(ii) Bag limit: four turkeys, gobblers or bearded hens [either sex].

(2) (No change.)

(3) Spring season and bag limits.

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

(C) In Bastrop, Brewster, Caldwell, Colorado, Comal (east of Interstate Highway 35), Fayette, Guadalupe (north of I-10), Hays (east of Interstate Highway 35), Hill (east of Interstate Highway 35 East), Jackson, Jeff Davis, Lavaca, Lee, [Matagorda,] McLennan (east of Interstate Highway 35), Pecos, Terrell, and Travis (east of Interstate Highway 35)[, and Wharton] counties, there is a spring general open season.

(i) - (ii) (No change.)

(D) (No change.)

(4) (No change.)

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

§65.66. *Chachalaca.*

In Cameron, Hidalgo, Starr, and Willacy counties, there is an open season for chachalacas.

(1) Open season: The first day in November [Saturday nearest October 28] through the last day [Sunday] in February.

(2) - (3) (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 February 9, 2026.

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James Murphy

General Counsel

Texas Parks and Wildlife Department

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For further information, please call: (512) 389-4775



SUBCHAPTER N. MIGRATORY GAME BIRD PROCLAMATION

31 TAC §§65.314 - 65.320

The Texas Parks and Wildlife Department (the department) proposes amendments to 31 TAC §§65.314 - 65.320, concerning the Migratory Game Bird Proclamation.

The United States Fish and Wildlife Service (Service) issues annual frameworks for the hunting of migratory game birds in the United States. Regulations adopted by individual states may be more restrictive than the federal frameworks but may not be less restrictive. Responsibility for establishing seasons, bag limits, means, methods, and devices for harvesting migratory game birds within Service frameworks is delegated to the Texas Parks and Wildlife Commission (Commission) under Parks and Wildlife Code, Chapter 64, Subchapter C.

With exceptions as noted, the proposed amendments specify the season dates for hunting the various species of migratory game birds for 2026-2027 seasons, along with minor formatting changes to improve the efficiency and clarity of the regulations. The proposed rules (except as noted in the discussion of the proposed elimination of the Special White-winged Dove Area (SWWDA) season and expanded and adjusted season dates for the South Zone) retain the season structure and bag limits for all species of migratory game birds from last year while adjusting the season dates to allow for calendar shift (i.e., to ensure that seasons open on the desired day of the week), since dates from a previous year do not fall on the same days in following years.

The proposed amendment to §65.314, concerning Doves (Mourning, White-Winged, White-Tipped, White-Fronted Doves), would eliminate the special White-winged Dove Days and the SWWDA distinction from the South Zone and would open the regular season of the South Zone on September 1. Under the federal frameworks, Texas is allowed 90 total days of dove hunting opportunity in the South Zone. Historically under the frameworks, the earliest possible date for full-day dove hunting in the South Dove Zone was September 14; however, Texas was also authorized to have up to six half-days of hunting opportunity between September 1 and September 19. The department reexamined the available biological information on mourning doves, including population abundance, hatch dates, harvest rates, and current harvest strategies. Based on this reexamination, the department proposed to the Service to allow the regular dove hunting season to begin on September 1st and eliminate federal restrictions on opening season dates in the frameworks for this hunting season since no biological impact is expected to occur, based on the best available information. The Service has approved these changes to the federal frameworks. As a result, the proposed change would eliminate the special white-winged dove provisions and allow for an earlier season in the South Zone. The proposed amendment to §65.314 also would adjust the second segment of the dove season in the South Zone to allow for hunting opportunities around Thanksgiving weekend. The adjusted season dates as proposed would be November 25- December 29, 2026, as opposed to keeping the same season dates from previous years, December 18, 2026 - January 21, 2027 (as adjusted for calendar shift).

The proposed amendment to §65.316, concerning Geese, alters section (b)(2)(B) to combine the season dates and bag limits for Dark Geese in the Eastern Zone into one subsection to maintain consistency within the section.

The proposed amendment to §65.317, concerning Special Youth, Active-Duty Military, and Military Veteran Seasons, alters subsection (b) to separate the seasons for moorhens and gallinules from waterfowl seasons to preserve parallelism.

Shaun Oldenburger, Wildlife Division Small Game Program Director, has determined that for the first five years that the amendments as proposed are in effect, there will be no additional fiscal

implications to state or local governments of enforcing or administering the rules as proposed.

Mr. Oldenburger also has determined that for each of the first five years the proposed rules are in effect, the public benefit anticipated as a result of enforcing the rules as proposed will be the department's discharge of its statutory obligation to manage and conserve the state's populations of migratory game birds for the use and enjoyment of the public, consistent with the principles of sound biological management.

Under the provisions of Government Code, Chapter 2006, a state agency must prepare an economic impact statement and a regulatory flexibility analysis for a rule that may have an adverse economic effect on small businesses, micro-businesses, or rural communities. As required by Government Code, §2006.002(g), the Office of the Attorney General has prepared guidelines to assist state agencies in determining a proposed rule's potential adverse economic impact on small and microbusinesses and rural communities. Those guidelines state that an agency need only consider a proposed rule's "direct adverse economic impacts" to determine if any further analysis is required. The department considers "direct economic impact" to mean a requirement that would directly impose recordkeeping or reporting requirements; impose taxes or fees; result in lost sales or profits; adversely affect market competition; or require the purchase or modification of equipment or services.

The department has determined that the proposed rules regulate various aspects of recreational license privileges that allow individual persons to pursue and harvest migratory game bird resources in this state and therefore do not directly affect small businesses, micro-businesses, or rural communities. Therefore, neither the economic impact statement nor the regulatory flexibility analysis described in Government Code, Chapter 2006, is required.

There also will be no adverse economic effect on persons required to comply with the rules as proposed.

The department has not drafted a local employment impact statement under the Administrative Procedures Act, §2001.022, as the agency has determined that the rules as proposed will not impact local economies.

The department has determined that Government Code, §2001.0225 (Regulatory Analysis of Major Environmental Rules), does not apply to the proposed rules.

The department has determined that there will not be a taking of private real property, as defined by Government Code, Chapter 2007, as a result of the proposed rules.

In compliance with the requirements of Government Code, §2001.0221, the department has prepared the following Government Growth Impact Statement (GGIS). The rules as proposed, if adopted, will neither create nor eliminate a government program; not result in an increase or decrease in the number of full-time equivalent employee needs; not result in a need for additional General Revenue funding; not affect the amount of any fee; not create or limit an existing regulation, but will expand an existing regulation (by consolidating dove harvest regulations in the South Zone); neither increase nor decrease the number of individuals subject to regulation; and not positively or adversely affect the state's economy.

Comments on the proposed rules may be submitted to Shaun Oldenburger (Small Game Program Director) at (512) 389-4778,

email: shaun.oldenburger@tpwd.texas.gov or via the department website at www.tpwd.texas.gov.

The amendments are proposed under Parks and Wildlife Code, Chapter 64, which authorizes the Commission and the Executive Director to provide the open season and means, methods, and devices for the hunting and possessing of migratory game birds.

The proposed amendments affect Parks and Wildlife Code, Chapter 64.

§65.314. *Doves (Mourning, White-Winged, White-Tipped, White-Fronted Doves).*

(a) Zones.

(1) - (2) (No change.)

(3) South Zone [and Special White-winged Dove Area]:

That portion of the state south of a line beginning at the International Toll Bridge in Del Rio; thence northeast along U.S. Highway 277 Spur to U.S. Highway 90 in Del Rio; thence east along U.S. Highway 90 to State Loop 1604; thence following Loop 1604 south and east to Interstate Highway 10; thence east along Interstate Highway 10 to the Texas-Louisiana State Line.

(b) Seasons[; Daily Bag Limits].

(1) North Zone: September 1 - November 8, 2026 and December 18, 2026 - January 7, 2027.

~~[(A) Dates: September 1 - November 9, 2025 and December 19, 2025 - January 7, 2026.]~~

~~[(B) Daily bag limit: 15 mourning doves, white-winged doves, and white-tipped (white-fronted) doves in the aggregate, including no more than two white-tipped doves per day.]~~

(2) Central Zone: September 1 - October 25, 2026 and December 11, 2026 - January 14, 2027.

~~[(A) Dates: September 1 - October 26, 2025 and December 12, 2025 - January 14, 2026.]~~

~~[(B) Daily bag limit: 15 mourning doves, white-winged doves, and white-tipped (white-fronted) doves in the aggregate, including no more than two white-tipped doves per day.]~~

(3) South Zone : September 1 - October 25, 2026 and November 25- December 29, 2026 [and Special White-winged Dove Area].

~~[(A) Special White-winged Dove Area Season:]~~

~~[(i) Dates: September 5-7, 12-13, 2025.]~~

~~[(ii) Daily bag limit: 15 white-winged doves, mourning doves, and white-tipped (white-fronted) doves, in the aggregate to include no more than two mourning doves and two white-tipped (white-fronted) doves per day.]~~

~~[(B) South Zone Season:]~~

~~[(i) Dates: September 14 - October 26, 2025 and December 12, 2025 - January 22, 2026.]~~

~~[(ii) Daily bag limit: 15 mourning doves, white-winged doves, and white-tipped (white-fronted) doves in the aggregate, including no more than two white-tipped (white-fronted) doves per day.]~~

(c) Daily bag limit for all zones: 15 mourning doves, white-winged doves, and white-tipped (white-fronted) doves in the aggregate, including no more than two white-tipped (white-fronted) doves per day.

§65.315. *Ducks, Coots, Mergansers, and Teal.*

- (a) (No change.)
- (b) Season dates and bag limits.

(1) HPMMU.

(A) For all species other than "dusky ducks": October 24-25 and October 30, 2026 - January 31, 2027 [~~18-19 and October 24, 2025 - January 25, 2026~~]; and

(B) "dusky ducks": October 31, 2026 - January 31, 2027 [~~27, 2025 - January 25, 2026~~].

(2) North Zone.

(A) For all species other than "dusky ducks": November 14-29, 2026 and December 5, 2026- January 31, 2027 [~~8-30, 2025 and December 6, 2025 - January 25, 2026~~]; and

(B) "dusky ducks": November 19-29, 2026 and December 5, 2026 - January 31, 2027 [~~13-30, 2025 and December 6- January 25, 2026~~].

(3) South Zone.

(A) For all species other than "dusky ducks": November 7-29, 2026 and December 12, 2026- January 31, 2027 [~~1-30, 2025 and December 13, 2025 - January 25, 2026~~]; and

(B) "dusky ducks": November 12-29, 2026 and December 12, 2026- January 31, 2027 [~~6-30, 2025 and December 13, 2025 - January 25, 2026~~].

(4) September teal-only season.

(A) (No change.)

(B) Dates: September 19-27, 2026 [~~20-28, 2025~~].

(c) (No change.)

§65.316. *Geese.*

(a) (No change.)

(b) Season dates and bag limits.

(1) Western Zone.

(A) Light geese: November 7, 2026 - February 7, 2027 [~~1, 2025 - February 1, 2026~~]. The daily bag limit for light geese is five.

(B) Dark geese: November 7, 2026 - February 7, 2027 [~~1, 2025 - February 1, 2026~~]. The daily bag limit for dark geese is five.

(2) Eastern Zone.

(A) Light geese: November 7, 2026 - February 19, 2027 [~~1, 2025 - February 15, 2026~~]. The daily bag limit for light geese is five.

(B) Dark geese: November 7, 2026 - January 31, 2027. The daily bag limit for dark geese is five, to include no more than two white-fronted geese.

~~[(i) Season: November 1, 2025- January 25, 2026;]~~

~~[(ii) Bag limit: The daily bag limit for dark geese is five, to include no more than two white-fronted geese.]~~

(c) September Canada goose season. Canada geese may be hunted in the Eastern Zone during the season established by this subsection. The season is closed for all other species of geese during the season established by this subsection.

(1) Season dates: September 12-27, 2026 [~~13-28, 2025~~].

(2) (No change.)

§65.317. *Special Youth, Active-Duty Military, and Military Veteran Seasons*

(a) Special Youth Waterfowl Season. There shall be a Special Youth Season for waterfowl, during which the hunting, taking, and possession of geese, ducks, mergansers, and coots is restricted to licensed hunters 16 years of age and younger accompanied by a person 18 years of age or older, except for persons hunting by means of falconry under the provisions of §65.320 of this title (relating to Extended Falconry Seasons).

(1) HPMMU:

(A) season dates: October 17-18, 2026 [~~11-12, 2025~~];

(B) (No change.)

(2) North Duck Zone:

(A) season dates: November 7-8, 2026 [~~1-2, 2025~~];

(B) (No change.)

(3) South Duck Zone:

(A) season dates: October 31 - November 1, 2026 [~~25-26, 2025~~];

(B) (No change.)

(b) Special Active-Duty Military and Military Veteran Migratory Game Bird Season.

(1) - (2) (No change.)

(3) Season Dates and Bag Limits.

(A) HPMMU:

(i) season dates: October 17-18, 2026 [~~11-12, 2025~~];

(ii) (No change.)

(B) North Duck Zone:

(i) season dates: November 7-8, 2026 [~~1-2, 2025~~];

(ii) daily bag limits:

(I) (No change.)

(II) geese:

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

(III) [~~(-e-)] moorhens and gallinules - as specified by §65.319(a)(2) of this title.~~

(C) South Duck Zone:

(i) season dates: October 31 - November 1, 2026 [~~25-26, 2025~~];

(ii) daily bag limits:

(I) (No change.)

(II) geese:

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

(III) [~~(-e-)] moorhens and gallinules - as specified by §65.319(a)(2) of this title.~~

(4) (No change.)

§65.318. *Sandhill Crane.*

(a) (No change.)

(b) Season dates and bag limits.

(1) Zone A: October 31, 2026 - January 31, 2027 [~~25, 2025 - January 25, 2026~~]. The daily bag limit is three.

(2) Zone B: November 27, 2026 - January 31, 2027 [~~21, 2025 - January 25, 2026~~]. The daily bag limit is three.

(3) Zone C: December 12, 2026 - January 17, 2027 [~~13, 2025 - January 18, 2026~~]. The daily bag limit is two.

(c) (No change.)

§65.319. *Gallinules, Rails, Snipe, Woodcock.*

(a) Gallinules (moorhen or common gallinule and purple gallinule) may be taken in any county of this state during the season established in this subsection.

(1) Season dates: September 19-27 and November 7, 2026 - January 6, 2027 [~~20-28 and November 1 - December 31, 2025~~].

(2) (No change.)

(b) Rails may be taken in any county of this state during the season established by this subsection.

(1) Season dates: September 19-27 and November 7, 2026 - January 6, 2027 [~~20-28 and November 1 - December 31, 2025~~].

(2) (No change.)

(c) Snipe may be taken in any county of this state during the season established by this subsection.

(1) Season dates: November 7, 2026 - February 21, 2027 [~~1, 2025 - February 15, 2026~~].

(2) (No change.)

(d) Woodcock may be taken in any county of this state during the season established by this subsection.

(1) Season dates: December 18, 2026 [~~2025~~] - January 31, 2027 [~~2026~~].

(2) (No change.)

§65.320. *Extended Falconry Seasons.*

It is lawful to take the species of migratory birds listed in this section by means of falconry during the seasons established by this section.

(1) Mourning doves, white-winged doves and white-tipped doves: November 13-29, 2026 [~~14 - November 30, 2025~~].

(2) Duck, gallinule, moorhen, rail, and woodcock: February 1-21, 2027 [~~January 26 - February 15, 2026~~].

(3) - (4) (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 February 9, 2026.

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James Murphy

General Counsel

Texas Parks and Wildlife Department

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For further information, please call: (512) 389-4775



SUBCHAPTER W. SPECIAL PERMITS

31 TAC §65.907

The Texas Parks and Wildlife Department proposes an amendment to 31 TAC §65.907, concerning Special Take Authorization - Wildlife.

The proposed changes are intended to broaden the scope of the authorization for take beyond deer and CWD and to encompass other wildlife health/disease related reasons for take such as New World screwworm (which prompted the need for the proposal). Proposed changes would allow necessary flexibility to address different disease related issues where take by a landowner is necessary. Provisions and conditions of take, including number, type of animals, method of take, time of take, duration of authorization, reporting, sample collection, carcass disposition, and disease testing requirements, etc. would be addressed in the authorization itself.

Kory Gann, Big Game Program Director, has determined that for each of the first five years that the rule as proposed is in effect, there will be no fiscal implications to state or local governments as a result of administering or enforcing the rule.

Mr. Gann also has determined that for each of the first five years that the rule as proposed is in effect, the public benefit anticipated as a result of enforcing or administering the proposed rule will be mitigating the spread of disease impacting native wildlife species such as Chronic Wasting Disease (CWD), New World Screwworm (NWS), or Highly Pathogenic Avian Influenza (HPAI).

There will be no adverse economic effects on persons required to comply with the rule.

Under the provisions of Government Code, Chapter 2006, a state agency must prepare an economic impact statement and a regulatory flexibility analysis for a rule that may have an adverse economic effect on small businesses, micro-businesses, or rural communities. As required by Government Code, §2006.002(g), the Office of the Attorney General has prepared guidelines to assist state agencies in determining a proposed rule's potential adverse economic impact on small and microbusinesses and rural communities. Those guidelines state that an agency need only consider a proposed rule's direct adverse economic impacts to determine if any further analysis is required. The department considers "direct economic impact" to mean a requirement that would directly impose recordkeeping or reporting requirements; impose taxes or fees; result in lost sales or profits; adversely affect market competition; or require the purchase or modification of equipment or services.

The department has determined that the proposed rule would result in no direct economic effect on any small businesses, micro-businesses, or rural community; therefore, neither the economic impact statement nor the regulatory flexibility analysis described in Government Code, Chapter 2006, is required.

The department has not drafted a local employment impact statement under the Administrative Procedures Act, §2001.022, as the agency has determined that the rule as proposed will not impact local economies.

The department has determined that Government Code, §2001.0225 (Regulatory Analysis of Major Environmental Rules), does not apply to the proposed rule.

The department has determined that there will not be a taking of private real property, as defined by Government Code, Chapter 2007, as a result of the proposed rule.

In compliance with the requirements of Government Code, §2001.0221, the department has prepared the following Government Growth Impact Statement (GGIS). The rule as proposed, if adopted, will neither create nor eliminate a government program; not result in an increase or decrease in the number of full-time equivalent employee needs; not result in a need for additional General Revenue funding; not affect the amount of an existing fee; not create or repeal an existing regulation, but will expand an existing regulation (by increasing the applicability of the current rule to include all species of wildlife resources); not increase or decrease the number of individuals subject to regulation; and not positively or adversely affect the state's economy.

Comments on the proposed rule may be submitted to Kory Gann, Big Game Program Director, email: kory.gann@tpwd.texas.gov. Comments also may be submitted via the department's website at http://www.tpwd.texas.gov/business/feedback/public_comment/.

The rule is proposed under Parks and Wildlife Code, §12.013, which authorizes the commission to adopt rules governing the take of wildlife under the supervision of a department employee in a program or event designated by the director as being conducted for the diagnosis, management, or prevention of a disease in wildlife.

The proposed amendment affects Parks and Wildlife Code, Chapter 12.

§65.907. *Special Take Authorization - Wildlife [White-tailed and Mule Deer].*

(a) The department may issue a special take authorization for the take of wildlife [~~white-tailed or mule deer (hereinafter, "deer")~~] for purposes of assisting the department in conducting wildlife disease diagnosis, management, or prevention (hereinafter, "special take authorization"), as provided in this subsection. A person may request a special take authorization by completing and submitting a request [~~an application~~] on a form supplied or approved by the department for that purpose.

(1) (No change.)

(2) The department may, at its discretion, conduct an inspection [~~a site inspection as a condition of issuance of a special take authorization~~].

(3) (No change.)

(b) (No change.)

(c) A special take authorization shall specify the number and species of wildlife [~~type of deer~~] to be taken. No wildlife [~~deer~~] other than the number and species authorized [~~specified deer or number of deer authorized for take~~] shall be taken.

(d) The conditions and requirements for the take of wildlife shall be listed in the [~~take of deer under a~~] special take authorization. [~~shall be:~~]

[(1) performed only by the person to whom the special take authorization is issued and/or persons identified by name on the special take authorization as agents of the person to whom the special take authorization is issued;]

[(2) by firearm using centerfire ammunition only;]

[(3) conducted during the time between 30 minutes before sunrise and 30 minutes after sunset, unless specifically authorized in writing by the department; or]

[(4) any other method of take as may be authorized by the department to remove specific deer.]

(e) A special take authorization is valid for the duration [~~14 days from the date~~] specified in the special take authorization issued to the applicant. [~~The department may extend the period of validity based on extenuating or unavoidable circumstances (including inability to locate specific deer); however, a request for extension must be submitted to the department via email and approved by the department prior to the take of deer.~~] A copy of the special take authorization or a reproduction of the special take authorization on an electronic device (such as a cell phone or tablet) shall be produced upon request of a department employee in the discharge of their official duties. A copy of the email from the department granting an extension of a special take authorization or a reproduction of that email on an electronic device (such as a cell phone or tablet) shall be produced upon request of a department employee in the discharge of their official duties.

(f) Any tissues or parts of wildlife specified in the authorization must be submitted to the department or an approved lab as directed in the special take authorization. [~~For each deer taken under a special take authorization, the following must be submitted to the Texas A&M Veterinary Medical Diagnostic Laboratory:~~]

[(1) the whole head, accompanied by all visible forms of identification borne by the deer at the time the deer was taken, including but not limited to ear tags, tattoos, RFID tags, or any other forms of identification;]

[(2) the medial retropharyngeal lymph nodes (MRLN), which must be collected by an accredited veterinarian, authorized department employee, or TAHC-certified CWD sample collector; and]

[(3) any other tissue samples, as directed by the department.]

[(4) A properly executed TVMDL accession form must accompany the head or tissue samples submitted under the requirements of this subsection.]

[(5) All tissue samples and body parts required to be submitted under this subsection must be submitted to TVMDL within two business days of completion of removal of all deer or within two business days upon conclusion of the last authorized collection date, whichever is sooner.]

[(6) It is an offense to remove an ear tag or deface or remove a tattoo prior to submission of deer head under this subsection.]

(g) The department will not issue a special take authorization for the take of wildlife [~~deer~~] on any tract of land unless:

(1) - (2) (No change.)

(h) Wildlife [~~A deer~~] taken during the period of validity of a special take authorization shall be reported to the department within 24 hours of removal via email or other department approved notification method to the department's wildlife division representative coordinating the authorization.

(i) Following submission to the department of any tissues or parts necessary as directed in a special take authorization, a person to whom the special take authorization or an agent thereof shall dispose of all remaining portions or parts of wildlife as directed by the department in the special take authorization. [~~a deer taken under a special take authorization, either by:~~]

[(1) burial at a depth of at least three feet below ground level on the property where the take occurred;]

{(2) delivery to a landfill authorized by the Texas Commission on Environmental Quality to receive such wastes; or}

{(3) as directed otherwise by the department in the special take authorization.}

(j) The department will not issue a special take authorization unless the applicant agrees in writing not to record by means of video, photograph, or other electronic media the act of taking or attempting to take wildlife [deer] under a special take authorization, or allow such recordings, or to make such recordings available to the public.

(k) (No change.)

(l) It is an offense for any person to:

(1) take or attempt to take wildlife [a deer] under a special take authorization without possessing a hunting license valid for the take of the species [deer] in Texas;

(2) sell, barter, offer to sell or barter, or otherwise give or receive anything of value in exchange for taking or allowing the take of wildlife [deer] or any parts of the animal, [including antlers,] under a special take authorization.

(m) The validity of a special take authorization is completely conditioned on the conduct of the person to whom the special take authorization is issued and agents of that person. Failure to abide by or comply with any provision of a special take authorization, as determined by the department, automatically invalidates the authorization and subjects the violator to prosecution for applicable violations of Parks and Wildlife Code, Chapters 42, 43, 61, 62, or 63 and any department regulations related to the take of wildlife listed on the authorization for take [deer].

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 February 9, 2026.

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James Murphy

General Counsel

Texas Parks and Wildlife Department

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For further information, please call: (512) 389-4775



TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 15. ELECTRONIC TRANSFER OF CERTAIN PAYMENTS TO STATE AGENCIES

SUBCHAPTER A. APPLICABILITY, DEFINITIONS AND PAYMENT CATEGORIES

34 TAC §§15.1, 15.4, 15.6

The Comptroller of Public Accounts proposes amendments to §15.1, concerning applicability and additional information; §15.4, concerning applicable payment categories and voluntary payments; and §15.6, concerning payment category: taxes.

The comptroller proposes the amendments to remove and replace outdated information. The proposed amendments are the result of the comptroller's statutory quadrennial rule review of Texas Administrative Code, Title 34, Part 1 Chapter 15, concerning Electronic Transfer of Certain Payments to State Agencies. No legislation was enacted within the last four years that provides the statutory authority for this section.

The amendment to §15.1(e) replaces the outdated URL for TexNet Instructions with the current web address.

The amendment to §15.4(c) replaces the outdated URL for TexNet Instructions with the current web address.

The amendments to §15.6 update the list of payment categories in subsection (a) by removing the fireworks sales tax and sulphur tax and replace the outdated URL for TexNet Instructions in subsection (c) with the current web address.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendments are in effect, the amended rules: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rules' applicability; and will not positively or adversely affect this state's economy. This proposal amends existing rules.

Mr. Reynolds also has determined that the proposed amended rules would have no fiscal impact on the state government, units of local government, or individuals. The proposed amendments would benefit the public by providing an up-to-date web address for TexNet payment instructions and removing repealed taxes from the list of payment categories, improving accessibility and compliance. There would be no anticipated economic cost to the public. The proposed amendments would have no fiscal impact on small businesses or rural communities.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to Macy Douglas, Director, Treasury Operations Division, P.O. Box 13528 Austin, Texas 78711 or to the email address: Macy.Douglas@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

These amendments are proposed under Government Code, §404.095(e) which authorizes the comptroller to adopt rules specifying approved means of electronic funds transfer and specifying the types of taxes constituting separate categories.

The proposed amendments implement Government Code, §404.095 (Electronic Transfer of Certain Payments).

§15.1. *Applicability and Additional Information.*

(a) Any and all payments subject to Government Code, §404.095, must be made in accordance with this chapter.

(b) Pursuant to Government Code, §404.095, a person must electronically transfer certain payments to a state agency by one of the means of EFT approved by the comptroller if the following apply:

(1) the payment is to a state agency that collected or received more than \$50 million in payments during the preceding state fiscal year in fees, fines, penalties, taxes, charges, gifts, grants, donations, and other funds, excluding federal grants and interest and dividend income; and

(2) the person paid the state agency a total of \$500,000 or more in the preceding state fiscal year in a category of payment listed in §15.4 of this title (relating to Applicable Payment Categories and Voluntary Payments), and the state agency reasonably anticipates that during the current state fiscal year the person will pay the agency \$500,000 or more in the same category of payment.

(c) The state agencies that typically collect or receive more than \$50 million in payments in a state fiscal year are:

- (1) Comptroller of Public Accounts;
- (2) Employees Retirement System;
- (3) General Land Office;
- (4) Teacher Retirement System;
- (5) Texas Alcoholic Beverage Commission;
- (6) Health and Human Services Commission;
- (7) Texas Department of Motor Vehicles;
- (8) Texas Department of Public Safety;
- (9) Texas Department of Transportation;
- (10) Texas Workforce Commission;
- (11) Texas Commission on Environmental Quality;
- (12) Texas Parks and Wildlife Department; and
- (13) University of Texas System.

(d) Pursuant to Government Code, §404.095, a state agency may adopt rules under this chapter that require a person to make payments by EFT using TexNet. The rules under this chapter also apply to all persons who are subject to such adopted state agency rules.

(e) For additional information regarding the EFT of certain payments to state agencies under Government Code, §404.095, consult the comptroller's website at <https://comptroller.texas.gov/programs/systems/texnet.php> [<http://www.window.state.tx.us/treasops/texnet/>].

§15.4. *Applicable Payment Categories and Voluntary Payments.*

(a) Each of the following is a separate category of payments to a state agency:

(1) fees, with each type of fee listed in §15.5 of this title (relating to Payment Category: Fees) considered a separate category of payment;

- (2) fines;
- (3) civil penalties;

(4) taxes, with each type of tax listed in §15.6 of this title (relating to Payment Category: Taxes) being considered a separate category; and

(5) other payments to a state agency excluding extraordinary payments such as gifts, grants, donations, interest, and dividend income, and one-time surcharges; and listed in §15.7 of this title (relating to Payment Category: Other Payments).

(b) A person making payments to a state agency in a particular category of payment who is not required to electronically transfer payments may do so voluntarily, as described in §15.8 of this title (relating to Voluntary Payments by Electronic Funds Transfer).

(c) For additional information regarding payment categories and voluntary payments under Government Code, §404.095, consult the state agency and the comptroller's website

at <https://comptroller.texas.gov/programs/systems/texnet.php> [<http://www.window.state.tx.us/treasops/texnet/>].

§15.6. *Payment Category: Taxes.*

(a) For purposes of making payments to a state agency by EFT under Government Code, §404.095 and this chapter, each of the following taxes shall be considered a separate category of payment. Subject to amendment, the categories of taxes include, but are not limited to:

- (1) automobile theft prevention authority assessment tax;
- (2) bank tax;
- (3) beer reporting system tax;
- (4) Bexar county sports venue project tax;
- (5) boat and boat motor sales tax;
- (6) cement production tax;
- (7) cigarette tax;
- (8) crude oil production tax;
- (9) diesel fuel tax;
- (10) direct pay sales tax;
- (11) Euleless city sports venue tax;
- ~~(12) fireworks sales tax;~~
- ~~(13) [(13)] franchise tax;~~
- ~~(14) [(14)] gasoline tax;~~
- ~~(15) [(15)] gross receipts tax;~~
- ~~(16) [(16)] hotel occupancy tax;~~
- ~~(17) [(17)] insurance maintenance, assessment, and retaliatory tax;~~
- ~~(18) [(18)] insurance premium tax;~~
- ~~(19) [(19)] interest earned on sales tax;~~
- ~~(20) [(20)] international fuel tax agreement (IFTA);~~
- ~~(21) [(21)] interstate trucker fuel tax--diesel/gasoline/liquefied gas;~~
- ~~(22) [(22)] liquefied gas tax;~~
- ~~(23) [(23)] liquor reporting system tax;~~
- ~~(24) [(24)] malt liquor reporting system tax;~~
- ~~(25) [(25)] manufactured housing sales and use tax;~~
- ~~(26) [(26)] mixed beverage gross receipts tax;~~
- ~~(27) [(27)] motor vehicle rental tax;~~
- ~~(28) [(28)] motor vehicle sales tax;~~
- ~~(29) [(29)] natural gas production tax;~~
- ~~(30) [(30)] oil and gas well servicing tax;~~
- ~~(31) [(31)] public utilities gross receipts assessment tax;~~
- ~~(32) [(32)] sales and use tax;~~
- ~~(33) [(33)] seller financed motor vehicle sales tax;~~
- ~~(34) [(34)] sports venue tax;~~
- ~~(35) [(35)] sulphur tax;~~
- ~~(36) [(36)] tobacco products tax;~~

- (35) [(37)] unemployment compensation tax; and
- (36) [(38)] volunteer fire department insurance tax.

(b) A state agency may not require a person to electronically transfer a protested tax payment. However, a person may voluntarily submit a protested tax payment by EFT. For more information on voluntary protest tax payments consult §3.9 of this title (relating to Electronic Filing of Returns and Reports; Electronic Transfer of Certain Payments by Certain Taxpayers).

(c) For more information regarding the procedures to pay taxes by EFT, consult the applicable state agency, §3.9 of this title, and the comptroller's website <https://comptroller.texas.gov/programs/systems/texnet.php> [<http://www.window.state.tx.us/treasops/texnet/>].

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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 Victoria North
 General Counsel for Fiscal and Agency Affairs
 Comptroller of Public Accounts
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 For further information, please call: (512) 475-2220



SUBCHAPTER B. STATE AGENCY PRACTICE AND PROCEDURES

34 TAC §15.21

The Comptroller of Public Accounts proposes amendment to §15.21, concerning state agency rules requirements.

The comptroller proposes the amendment to remove and replace outdated information. The proposed amendment is the result of the comptroller's statutory quadrennial rule review of Texas Administrative Code, Title 34, Part 1 Chapter 15, concerning Electronic Transfer of Certain Payments to State Agencies. No legislation was enacted within the last four years that provides the statutory authority for this section.

The amendment to §15.21(d) replaces the outdated URL for TexNet Instructions with the current web address.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendment is in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed rule amendment would have no fiscal impact on the state government, units of local government, or individuals. The proposed amendment would benefit the public by providing an up-to-date web address for EFT payment instructions, improving accessibility and compliance. There would be no anticipated economic

cost to the public. The proposed amendment would have no fiscal impact on small businesses or rural communities.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to Macy Douglas, Director, Treasury Operations Division, P.O. Box 13528 Austin, Texas 78711 or to the email address: Macy.Douglas@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

This amendment is proposed under Government Code, §404.095(e) which authorizes the comptroller to adopt rules specifying approved means of electronic funds transfer and specifying the types of taxes constituting separate categories.

The amendment implements Government Code, §404.095 (Electronic Transfer of Certain Payments).

§15.21. State Agency Rules Requirements.

(a) A state agency which has adopted rules requiring EFT payments pursuant to Government Code, §404.095(c) and §15.1(d) of this title (relating to Applicability and Additional Information) shall notify each person to whom the rules apply. The notice shall include the information set out in §15.22(b) of this title (relating to State Agency Applicability Determination and Notification Procedures) and shall be provided at least 60 days before the first payment is due, but not later than November 1 of each year.

(b) All persons to whom state agency rules apply shall be required to electronically transfer payments to the state agency beginning on the date set forth in the notification and thereafter until said person is no longer subject to the state agency's rules.

(c) A state agency may not require a person to electronically transfer a protested tax payment, however, a person may choose to pay such payments voluntarily as set out in §15.8 of this title (relating to Voluntary Payments by Electronic Funds Transfer).

(d) For additional information on state agency rules and payment instructions, consult the state agency in question and the comptroller's website at: <https://comptroller.texas.gov/programs/systems/texnet.php> [<http://www.window.state.tx.us/treasops/texnet/>].

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

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SUBCHAPTER C. TEXNET: GENERAL PAYMENT PROCEDURES

34 TAC §15.32, §15.35

The Comptroller of Public Accounts proposes amendments to §15.32, concerning transmission of TexNet payment information, and §15.35, concerning notification to the comptroller.

The comptroller proposes the amendments to remove and replace outdated information. The proposed amendments are the result of the comptroller's statutory quadrennial rule review of Texas Administrative Code, Title 34, Part 1, Chapter 15, concerning Electronic Transfer of Certain Payments to State Agencies. No legislation was enacted within the last four years that provides the statutory authority for this section.

The amendment to §15.32 replaces the outdated URL for TexNet Instructions in §15.32(b)(1)(D)(3) with the current web address.

The amendment to §15.35 removes the reference to facsimile and fax number to reflect the comptroller's current communication standards.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendments are in effect, the amended rules: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rules' applicability; and will not positively or adversely affect this state's economy. This proposal amends existing rules.

Mr. Reynolds also has determined that the proposed amended rules would have no fiscal impact on the state government, units of local government, or individuals. The proposed amendments would benefit the public by providing up-to-date web address for TexNet payment instructions and notification methods to the Comptroller, improving accessibility and compliance. There would be no anticipated economic cost to the public. The proposed amendments would have no fiscal impact on small businesses or rural communities.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to Macy Douglas, Director, Treasury Operations Division, P.O. Box 13528 Austin, Texas 78711 or to the email address: Macy.Douglas@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

This amendment is proposed under Government Code, §404.095(e) which authorizes the comptroller to adopt rules specifying approved means of electronic funds transfer and specifying the types of taxes constituting separate categories.

The amendment implements Government Code, §404.095, concerning electronic transfer of certain payments.

§15.32. Transmission of TexNet Payment Information.

(a) A person must transmit accurate payment information to ensure proper credit of the payment to the state agency receiving payment.

(b) A person's chosen TexNet payment option for EFT (see §15.2(b) of this title (relating to Approved Means of Electronic Funds Transfer)) will determine the method of transmitting payment information.

(1) Persons choosing ACH debit/direct entry as the TexNet payment option for EFT shall:

(A) enter payment information directly into the TexNet data collection system using either the Internet or a touch-tone telephone in accordance with the instructions established by the state agency and approved by the comptroller;

(B) record the trace number provided by the TexNet data collection system once all payment information has been entered by the person;

(C) enter any change, correction, or cancellation in the payment information to the TexNet data collection system in accordance with the instructions established by the state agency and approved by the comptroller; and

(D) contact the comptroller at the telephone number listed in §15.35 of this title (relating to Notification to the Comptroller) if the person experiences difficulty entering information into the TexNet data collection system.

(2) Persons choosing ACH debit/indirect entry as the TexNet payment option for EFT shall enter payment information in the manner and by the deadline established by the state agency to which payment is due and approved by the comptroller.

(3) Persons choosing ACH credit with addenda record(s) as the TexNet payment option for EFT shall transmit payment information in the addenda record(s) of the ACH credit in the approved State of Texas addenda record format, as set out in the TexNet instruction booklet for the state agency, which is posted at <https://comptroller.texas.gov/programs/systems/texnet.php> [<http://www.window.state.tx.us/treasops/texnet/>]. A person who does not have access to the Internet may consult with the state agency for further information and TexNet payment instructions.

§15.35. Notification to the Comptroller.

Any notification to the comptroller regarding EFT payments by mail or [] telephone [] or fax] must be directed to: Comptroller of Public Accounts, Treasury Operations, P.O. Box 12608, Austin, Texas 78711, phone number (800) 531-5441, extension 3-3010 [and fax (512) 463-1364].

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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Victoria North

General Counsel for Fiscal and Agency Affairs

Comptroller of Public Accounts

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For further information, please call: (512) 475-2220



CHAPTER 20. STATEWIDE PROCUREMENT AND SUPPORT SERVICES

SUBCHAPTER B. PUBLIC PROCUREMENT AUTHORITY AND ORGANIZATION

DIVISION 2. PUBLICIZING PROCUREMENT: CMBL, ESD, AND VPTS

34 TAC §20.115

The Comptroller of Public Accounts proposes amendments to §20.115, concerning the vendor performance tracking system. The amendments eliminate the potential for discrepancies between letter grades submitted by state agencies by calculating report grades based on the agency-selected performance fac-

tors rather than agency's assigning grades independently of the performance factor selections. The amendments establish a more objective vendor performance grading system.

No legislation was enacted within the last four years that provides the statutory authority for the amendments.

These amendments remove language providing that vendor grades in the tracking system are submitted by state agencies. Section 20.115 now provides for vendor grades to be assigned based on vendor performance reports and is consistent with a concurrently proposed amendment of §20.509, concerning vendor performance reporting. The amendments revise subsections (a), (b), (d) and (e) to delete the requirement for state agencies to assign a grade to the tracking system and remove corresponding references. The amendments further revise subsection (d) to indicate the overall vendor performance letter grade for each vendor will be assigned based on performance evaluations provided by state agencies using the numerical value system provided. The amendments revise (2) to remove a description of how letter grades were calculated before February 5, 2001, which no longer serves a purpose.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendments are in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed rule amendments would have no significant fiscal impact on the state government, units of local government, or individuals. The proposed amendments would benefit the public by eliminating discrepancies in vendor grades submitted by state agencies and establishing a more objective and efficient vendor performance grading system. There would be no anticipated economic cost to the public. The proposed amendments would have no fiscal impact on small businesses or rural communities.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to Gerard MacCrossan P.O. Box 13528 Austin, Texas 78711 or to the email address: Gerard.MacCrossan@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

A public hearing will also be held to receive comments on the proposed amendment. There is no physical location for this meeting. The meeting will be held at 10:00 a.m. on Tuesday, March 10, 2026. To access the online public meeting by web browser, please enter the following URL into your browser: <https://txcpa.webex.com/txcpa/j.php?MTID=mb15a05f061e005057f4bac500d564849>. To join the meeting by computer or cell phone using the Webex app, use the access code 24925800148 and password SP-DRules. Persons interested in providing comments at the public hearing may contact Mr. Gerard MacCrossan, Comptroller of Public Accounts, at Gerard.MacCrossan@cpa.texas.gov or by calling (512) 463-4468 by March 9, 2026.

These amendments are proposed under Government Code, §2155.0012, which authorizes the comptroller to adopt rules to efficiently and effectively administer Government Code, Chapter 2155; §2156.0012, which authorizes the comptroller to adopt rules to efficiently and effectively administer Government Code, Chapter 2156; and §2262.056, which authorizes the comptroller to adopt rules to efficiently and effectively administer a vendor performance tracking system.

The amendments implement Government Code, §2155.089 and §2262.055.

§20.115. *Vendor Performance Tracking System.*

(a) The comptroller's statewide procurement division shall maintain a vendor performance tracking system on the comptroller's web page on which vendor performance reports and vendor grades [submitted by state agencies] are published. Vendor performance reports [and vendor grades] shall be submitted to the vendor performance tracking system as stated in §20.509 of this title (relating to Vendor Performance Reporting).

(b) The comptroller shall provide a copy of a state agency's vendor performance report and grade to the vendor identified in the report. When [a state agency assigns] a grade lower than "C" is calculated by the vendor performance tracking system, ["C;"] the vendor may provide to the comptroller a response to the performance report and grade. When a response is received by the comptroller within 30 days of the comptroller providing a copy of the performance report and grade to the vendor, the comptroller:

(1) shall provide the state agency a copy of the vendor response; and

(2) shall review the performance report and grade, response, and any other relevant information available to the comptroller about the purchase order or contract that is the subject of the performance report and grade.

(c) Based upon the review provided for in subsection (b) of this section, the comptroller may revise the performance report or grade.

(d) Using vendor performance evaluations [grades] provided by state agencies, the vendor performance tracking system will calculate and assign [generate] one overall vendor performance letter grade for each vendor in the following manner:

(1) Each vendor grade [assigned by a state agency] will be designated a numerical value based on the following scale: A=4, B=3, C=2, D=1, F=0.

(2) ~~The [On or before February 4, 2021, the system numerical score for the vendor is the sum of all numerical values for each letter grade assigned to a vendor after February 4, 2017. After February 5, 2021, the] system numerical score for a vendor will be the sum of all numerical values for each letter grade assigned to a vendor for the most recent 48 months.~~

(3) The system numerical average score for the vendor is the system numerical score determined in paragraph (2) of this subsection divided by the number of letter grades included in the calculation of the system numerical score. The system numerical average score is rounded to the nearest tenth.

(4) Using the system numerical average score determined under paragraph (3) of this subsection, the system will assign a single system numerical average score letter grade for the contractor based on the following scale: A=3.5-4.0; B=2.5-3.4; C=1.5-2.4; D=0.5-1.4; and F=0.4 or below.

(e) Except for a grade that was revised in the vendor's favor under subsection (c) of this section, the executive head of a state agency may, within 48 months of submission of a vendor performance report [and grade], request to revise the report [and grade] for a particular purchase order or contract by submitting a written justification for the grade revision to the comptroller. The written justification for the grade revision must contain the following information:

(1) contract number or purchase order number;

(2) vendor name;

(3) date the assigned grade was [state agency] entered into the vendor performance tracking system [the grade] that the state agency is requesting to revise; and

(4) a revised vendor performance report, including the reason for the grade revision request.

(f) Upon receiving a request under subsection (e) of this section, the comptroller shall publish the grade revision and revised performance report in the vendor performance tracking system maintained on the comptroller's website unless the requested grade revision will result in a grade lower than "C," in which case subsection (b) of this section will apply. The comptroller shall recalculate the system numerical score and system numerical average score using the revised grade.

(g) A vendor that receives a grade lower than a "C" [from a state agency] may file a protest to the grade according to the protest procedures in §20.534 of this title (relating to Protests).

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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Don Neal

General Counsel, Operations and Support Legal Services

Comptroller of Public Accounts

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For further information, please call: (512) 475-2220



SUBCHAPTER F. CONTRACT MANAGEMENT

DIVISION 2. REPORTS AND AUDITS

34 TAC §20.509

The Comptroller of Public Accounts proposes amendments to §20.509, concerning vendor performance reporting. The amendments eliminate the potential for discrepancies between letter grades submitted by state agencies by calculating report grades based on the agency-selected performance factors rather than agency's assigning grades independently of the performance factor selections. The amendments establish a more objective vendor performance grading system.

No legislation was enacted within the last four years that provides the statutory authority for the amendments.

These amendments remove language providing that a state agency shall submit a vendor performance report and grade to the tracking system, and these amendments are consistent with concurrently proposed amendments of §20.115, concerning

the vendor performance tracking system. Section 20.509 now requires a state agency to submit only a vendor performance report, and a grade will be calculated by the tracking system and published by the comptroller. These amendments revise subsections (a) through (e) to delete the requirement for a state agency to submit a grade to the tracking system. The amendments reorganize subsection (d) into paragraphs and further revise subsection (e) to require the grade assigned to a vendor to be based on a state agency's evaluation of the contract performance.

Brad Reynolds, Chief Revenue Estimator, has determined that during the first five years that the proposed amendments are in effect, the amended rule: will not create or eliminate a government program; will not require the creation or elimination of employee positions; will not require an increase or decrease in future legislative appropriations to the agency; will not require an increase or decrease in fees paid to the agency; will not increase or decrease the number of individuals subject to the rule's applicability; and will not positively or adversely affect this state's economy. This proposal amends an existing rule.

Mr. Reynolds also has determined that the proposed rule amendments would have no significant fiscal impact on the state government, units of local government, or individuals. The proposed amendments would benefit the public by eliminating discrepancies in vendor grades submitted by state agencies and establishing a more objective and efficient vendor performance grading system. There would be no anticipated economic cost to the public. The proposed amendments would have no fiscal impact on small businesses or rural communities.

You may submit comments on the proposal or information related to the cost, benefit, or effect of the proposal, including any applicable data, research or analysis, to Gerard MacCrossan P.O. Box 13528 Austin, Texas 78711 or to the email address: Gerard.MacCrossan@cpa.texas.gov. The comptroller must receive your comments or other information no later than 30 days from the date of publication of the proposal in the *Texas Register*.

A public hearing will also be held to receive comments on the proposed amendment. There is no physical location for this meeting. The meeting will be held at 10:00 a.m. on Tuesday, March 10, 2026. To access the online public meeting by web browser, please enter the following URL into your browser: <https://txcpa.webex.com/txcpa/j.php?MTID=mb15a05f061e005057f4bac500d564849>. To join the meeting by computer or cell phone using the Webex app, use the access code 24925800148 and password SP-DRules. Persons interested in providing comments at the public hearing may contact Mr. Gerard MacCrossan, Comptroller of Public Accounts, at Gerard.MacCrossan@cpa.texas.gov or by calling (512) 463-4468 by March 9, 2026.

These amendments are proposed under Government Code, §2155.0012, which authorizes the comptroller to adopt rules to efficiently and effectively administer Government Code, Chapter 2155; §2156.0012, which authorizes the comptroller to adopt rules to efficiently and effectively administer Government Code, Chapter 2156; and §2262.056, which authorizes the comptroller to adopt rules to efficiently and effectively administer a vendor performance tracking system.

The amendments implement Government Code, §2155.089 and §2262.055.

§20.509. *Vendor Performance Reporting.*

(a) A state agency shall submit a report [~~and grade~~] of a vendor's performance to the vendor performance tracking system as stated in §20.115 of this title (relating to Vendor Performance Tracking System) for:

(1) each purchase exceeding \$25,000 from contracts administered by the comptroller or the Department of Information Resources; and

(2) each agency contract, except as provided by subsection (f) of this section.

(b) In addition, if the value of a contract exceeds \$5 million, a state agency must submit a report [~~and grade~~] of a vendor's performance to the vendor performance tracking system as stated in §20.115 of this title upon the completion of a key milestone identified in the contract and at least once each year during the term of the contract.

(c) If a state agency does not submit a vendor performance report [~~and grade~~] within 30 days of the completion or termination of a purchase order or contract and, for a contract with a value that exceeds \$5 million, the completion of a key milestone identified in the contract, it shall document the reason in its contract file.

(d) A state agency shall[;]

[~~(1)~~] evaluate the vendor's performance based on:

[~~(1)~~] [~~(A)~~] information prepared by the state agency in planning the procurement that assessed the need for the purchase together with the specifications for the good or service and the criteria to evaluate the responses resulting in an award and contract;

[~~(2)~~] [~~(B)~~] compliance with the material terms of the contract;

[~~(3)~~] [~~(C)~~] ability to correct instances of contractual non-compliance; and

[~~(4)~~] [~~(D)~~] other relevant evaluation criteria presented in the online vendor performance tracking system[; and]

[~~(2)~~] assign the vendor a letter grade.]

(e) A letter grade shall be assigned to a vendor based on a state agency's evaluation of the contract performance. The following grading scale shall be used to evaluate vendor contract performance: [State agencies shall independently evaluate the contract performance and use the following grading scale when assigning a letter grade to a vendor:]

(1) An [A state agency shall assign an] "A" is assigned when it is determined [determines] that the vendor significantly exceeded the requirements of the purchase order or contract to the state's benefit, that any problems with the purchase order or contract were minor, and that corrective actions taken by the vendor to address such problems were highly effective. If the best value standard was used to award the purchase order or contract, an "A" means that the vendor satisfied that standard.

(2) A [state agency shall assign a] "B" is assigned when it is determined [determines] that the vendor exceeded some requirements of the purchase order or contract to the state's benefit, that any problems with the purchase order or contract were minor, and that corrective actions taken by the vendor to address such problems were effective. If the best value standard was used to award the purchase order or contract, a "B" means that the vendor satisfied that standard.

(3) A [state agency shall assign a] "C" is assigned when it is determined [determines] that the vendor met the requirements of the purchase order or contract and that corrective actions taken by the vendor to address minor problems were satisfactory. If the best value standard was used to award the purchase order or contract, a "C" means

that the vendor satisfied that standard but that the vendor's performance did not merit an "A" or "B."

(4) A [state agency shall assign a] "D" is assigned when it is determined [determines] that the vendor did not meet some of the requirements of the purchase order or contract, that problems with the purchase order or contract were serious, and that corrective actions taken by the vendor to address such problems were only marginally effective or not fully implemented. If the best value standard was used to award the purchase order or contract, a "D" means that the vendor did not satisfy that standard.

(5) An [A state agency shall assign an] "F" is assigned when it is determined [determines] that the vendor did not meet the requirements of the purchase order or contract, that problems with the purchase order or contract were serious, and that corrective actions taken by the vendor to address such problems were ineffective. If the best value standard was used to award the purchase order or contract, an "F" means that the vendor did not satisfy that standard.

(f) A state agency is not required to report or grade vendor performance for:

(1) contracts exempt from vendor reporting under Government Code, §2155.089(c) or another statutory provision;

(2) purchases for which competitive bidding is not required under §20.82(b)(1) of this title; or

(3) purchases procured through informal bids under §20.82(d)(1)(A) 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 February 4, 2026.

TRD-202600523

Don Neal

General Counsel, Operations and Support Legal Services

Comptroller of Public Accounts

Earliest possible date of adoption: March 22, 2026

For further information, please call: (512) 475-2220

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TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 20. TEXAS WORKFORCE COMMISSION

CHAPTER 838. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP GRANT PROGRAM

The Texas Workforce Commission (TWC) proposes amendments to the following sections of Chapter 838, relating to the Texas Industry-Recognized Apprenticeship Grant Program:

Subchapter A. General Purpose and Definitions, §838.2

Subchapter B. Grant Program, §838.12

Subchapter C. Program Administration, §838.21 and §838.24

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the proposed Chapter 838 rule change is to implement the provisions of House Bill 3260 (HB 3260), enacted by the 89th Texas Legislature, Regular Session, 2025, relating to the Texas Industry-Recognized Apprenticeship (TIRA) Grant Program.

HB 3260 amended Texas Labor Code, Chapter 302, Subchapter I, Texas Industry-Recognized Apprenticeship Programs Grant Program, to enable TWC to respond better to workforce needs by more efficiently using the TIRA grant program and encouraging employers to participate in growing the state's skilled workforce.

Amended Texas Labor Code, §302.256, allows TWC to issue partial reimbursement payments to an eligible grant recipient as a program participant achieves on-the-job training and employment milestones instead of after the participant has completed the program.

Amended Texas Labor Code, §302.257, requires the Commission to adopt rules

establishing a process for and criteria by which the Commission recognizes apprenticeable occupations and certifies training programs. It also requires rules for setting performance metrics and making aggregated performance data available via TWC's website.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

(Note: Minor editorial changes are made that do not change the meaning of the rules and, therefore, are not discussed in the Explanation of Individual Provisions.)

SUBCHAPTER A. GENERAL PURPOSE AND DEFINITIONS

TWC proposes the following amendments to Subchapter A:

§838.2. Definitions

Section 838.2 is amended to add definitions for "Recognized Occupation" and "TIRA Application and Implementation Guide."

The definition of "Texas Industry-Recognized Apprenticeship" is also amended to clarify that TWC determines which occupations are apprenticeable and that TWC certifies training programs as TIRAs, and that TIRA training programs must pay participants at least the Tri-Agency self-sufficiency wage instead of the local workforce development area's self-sufficiency wage.

SUBCHAPTER B. GRANT PROGRAM

TWC proposes the following amendments to Subchapter B:

§838.12. Notice of Grant Availability and Application

Section 838.12 is amended to add that the TIRA Application and Implementation Guide and links to TWC-approved apprenticeable occupations will be published on TWC's website.

Section 838.12 is also amended to add as new §838.12(b)(4) the text of existing §838.24(2) relating to performance as a factor in determining funding eligibility.

SUBCHAPTER C. PROGRAM ADMINISTRATION

TWC proposes the following amendments to Subchapter C:

§838.21. Texas Industry-Recognized Apprenticeship Grants

Section §838.21(a) is amended to clarify the TIRA program's training and employment completion requirements.

Section 838.21 is also amended to add §838.21(c), which states that eligible TIRA grant recipients may receive reimbursements

as training program participants achieve established milestones. Additionally, §838.21(c) states that the grant recipient must repay any milestone reimbursements received for any participant who does not complete the training program, including employment requirements, in a manner specified in the grant agreement.

§838.24. Performance

Section 838.24 is amended to add the performance requirements set forth in HB 3260.

Section 838.24 is also amended to remove §838.24(2), which is added as new §838.12(b)(4).

PART III. IMPACT STATEMENTS

Chris Nelson, Chief Financial Officer, has determined that for each year of the first five years the rules will be in effect, the following statements will apply:

There are no additional estimated costs to the state and to local governments expected as a result of enforcing or administering the rules.

There are no estimated cost reductions to the state and to local governments as a result of enforcing or administering the rules.

There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There are no foreseeable implications relating to costs or revenue of the state or local governments as a result of enforcing or administering the rules.

There are no anticipated economic costs to individuals required to comply with the rules.

There is no anticipated adverse economic impact on small businesses, microbusinesses, or rural communities as a result of enforcing or administering the rules.

Based on the analyses required by Texas Government Code, §2001.024, TWC has determined that the requirement to repeal or amend a rule, as required by Texas Government Code, §2001.0045, does not apply to this rulemaking.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), "taking" means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the US Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action, and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect. TWC completed a Takings Impact Assessment for the proposed rulemaking action under Texas Government Code, §2007.043. The primary purpose of this proposed rulemaking action, as discussed elsewhere in this preamble, is to implement HB 3260, thereby enabling TWC to respond better to workforce needs by more efficiently using the TIRA program and encouraging employers to participate in growing the state's skilled workforce.

The proposed rulemaking action will not create any additional burden on private real property or affect private real property in a manner that would require compensation to private real property owners under the US Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

Government Growth Impact Statement

TWC has determined that during the first five years the rules will be in effect, they:

- will not create or eliminate a government program;
- will not require the creation or elimination of employee positions;
- will not require an increase or decrease in future legislative appropriations to TWC;
- will not require an increase or decrease in fees paid to TWC;
- will not create a new regulation;
- will not expand, limit, or eliminate an existing regulation;
- will not change the number of individuals subject to the rules; and
- will not positively or adversely affect the state's economy.

Economic Impact Statement and Regulatory Flexibility Analysis

TWC has determined that the rules will not have an adverse economic impact on small businesses or rural communities, as the proposed rules place no requirements on small businesses or rural communities.

Mariana Vega, Director, Labor Market Information, has determined that there is not a significant negative impact upon employment conditions in the state as a result of the rules.

Mary York, Director, Workforce Development Division, has determined that for each year of the first five years the rules are in effect, the public benefit anticipated as a result of enforcing the proposed rules will be to expand apprenticeship programs to include occupations and industries as determined by Texas' workforce needs and also to include an outcome-based funding model.

PART IV. COORDINATION ACTIVITIES

This rulemaking implements statutory provisions as described in this proposed rule document. The public will have an opportunity to comment on the proposed rule changes as set forth below.

PART V. REQUEST FOR IMPACT INFORMATION

TWC requests, from any person required to comply with the proposed rule or any other interested person, information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis. Please submit the requested information to TWCPolicyComments@twc.texas.gov no later than March 23, 2026.

PART VI. PUBLIC COMMENTS

Comments on the proposed rules may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than March 23, 2026.

SUBCHAPTER A. GENERAL PURPOSE AND DEFINITIONS

40 TAC §838.2

STATUTORY AUTHORITY

The rule is proposed under the authority of:

--Texas Labor Code, §302.256, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which authorizes TWC to establish rules for distributing partial reimbursement payments to eligible individuals in on-the-job training programs as they achieve specific milestones.

--Texas Labor Code, §302.257, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration and enforcement of the TIRA grant program.

--Texas Labor Code, §301.0015 and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

§838.2. Definitions.

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

(1) Grant Recipient--An entity within Texas that is awarded TIRA funds by the Agency. Grant recipients must cooperate and comply with all contract requirements and Agency monitoring activities, as required by Chapter 802, Subchapter D of this title (relating to Agency Monitoring Activities).

(2) Eligible Grant Applicant--An entity, as specified in state law, that is eligible to receive TIRA funding. Eligible grant applicants may include, but are not limited to, the following:

- (A) Trade and industry groups
- (B) Corporations
- (C) Nonprofit organizations
- (D) Educational institutions
- (E) Unions
- (F) Joint labor-management organizations

(3) Texas Industry-Recognized Apprenticeship--A training program that:

(A) provides on-the-job training, preparatory instruction, supplementary instruction, or related instruction:

(i) in an occupation that has been recognized by the Agency as an apprenticeable occupation; and

(ii) under an industry-recognized and accredited training curriculum;

(B) is certified by the Agency as an industry-recognized apprenticeship program generally consistent with US Department of Labor regulations under 29 Code of Federal Regulations, Part 29.5, Standards of Apprenticeship;

(C) [(B)] guarantees employment to participants during and upon successful completion of the training period;

(D) [(C)] pays each participant a progressive wage and provides eligibility for participants to receive full-time employee benefits during and upon successful completion of the training period, equal to or above Tri-Agency [the impacted local workforce development

area's (workforce area)] self-sufficiency wage as defined by Texas Government Code, §2308A.012;

(E) [(D)] requires participants to advance their skills, at a minimum, to a credentialed, performance-verified mid-level status in a field related to the TIRA;

(F) [(E)] has a duration of no longer than 26 weeks; and

(G) [(F)] gives preference to training and hiring:

- Agency;
- (i) unemployed Texans who have registered with the
 - (ii) veterans of the United States armed forces;
 - (iii) formerly incarcerated individuals; and
 - (iv) underemployed individuals who are working without industry-recognized certifications or other credentials.

(4) Participant--An individual training in a TIRA under an apprenticeship agreement who:

(A) is a full-time paid worker, receiving benefits and employed in the private sector during training;

(B) maintains suitable employment for at least 12 consecutive months immediately following completion of the training program; and

(C) receives related instructional training to learn a skill in a recognized [certified] apprenticeable occupation that advances his or her skills to a credentialed, performance-verified mid-level status in the occupation, as identified by the Agency.

(5) Recognized Occupation--An apprenticeable occupation that:

(A) is customarily learned in a practical way through a structured, systematic program of on-the-job supervised training;

(B) is clearly identified and commonly recognized throughout an industry;

(C) involves manual, mechanical, or technical skills or knowledge which requires significant on-the-job work experience; and

(D) requires related instruction to supplement the on-the-job training.

(6) TIRA Application and Implementation Guide--The guide that supports this chapter by providing all required operational details and procedures for the recognizing occupations process, certifying process, application submission, and performance reporting. The current guide may be accessed on the Agency's website.

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 February 3, 2026.

TRD-202600492

Les Trobman

General Counsel

Texas Workforce Commission

Earliest possible date of adoption: March 22, 2026

For further information, please call: (737) 301-9662



SUBCHAPTER B. GRANT PROGRAM

40 TAC §838.12

The rule is proposed under the authority of:

--Texas Labor Code, §302.256, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which authorizes TWC to establish rules for distributing partial reimbursement payments to eligible individuals in on-the-job training programs as they achieve specific milestones.

--Texas Labor Code, §302.257, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration and enforcement of the TIRA grant program.

--Texas Labor Code, §301.0015 and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The rule relates to Title 4, Texas Labor Code, particularly Chapter 302, Subchapter I.

§838.12. *Notice of Grant Availability and Application.*

(a) From time to time, the Agency may publish a Notice of Availability (NOA) of grant funds under this chapter. The notice shall be published on the Agency's website, along with the TIRA Application and Implementation Guide and links to Agency-approved apprenticeable occupations. In addition to the respective purpose for each grant program under this chapter, the notice may include:

- (1) the total amount of grant funds available for the award;
- (2) the geographical workforce areas that are eligible;
- (3) the specific industries or occupations targeted;
- (4) the maximum number of grants to be awarded;
- (5) the special populations to be served;
- (6) the application process and requirements; and
- (7) any other grant requirements necessary and appropriate for awarding grants in addition to those set forth in this chapter.

(b) To be eligible for a grant award, an applicant meeting the eligibility criteria identified in the NOA shall submit an application to the Agency in the form and manner as prescribed in subsection (d) of this section.

(1) The Agency's executive director, or designee, shall evaluate each application, considering the requirements and purpose of the NOA for which the application is submitted, the financial stability of the private sector employer, the regional economic impact, and any other factors the Agency determines appropriate.

(2) If the Agency determines that an application is appropriate for funding, the executive director or designee shall enter into a contract with the grant recipient on behalf of the Agency.

(3) Any applicants currently on corrective action pursuant to Chapter 802, Subchapter G of this title (relating to Corrective Actions), or not meeting any requirements of this chapter, shall not be eligible to receive a grant.

(4) The Agency will consider past performance of TIRAs in determining eligibility for funding.

(c) The Agency may request additional information at any time before the grant award in order to effectively evaluate any application.

(d) Form and manner of application:

(1) Applications shall be in writing and contain the following information:

(A) The number of proposed jobs created, and retention plans to meet the requirements of §838.21(a)(1) of this chapter;

(B) A brief outline of the proposed project, including the skills acquired through training and the employer's involvement in the planning and design;

(C) A brief description of the measurable training objectives aligned with §838.22 of this chapter;

(D) The occupation and wages for participants who complete the project as set forth in §838.22(3) of this chapter;

(E) A budget summary, disclosing anticipated project costs and resource contributions, including the dollar amount the private partner is willing to commit to the project;

(F) A signed agreement between all partners that outlines each entity's roles and responsibilities if a grant is awarded;

(G) A statement explaining the basis for the determination by the TIRA that the application meets the requirements of the NOA applied for and identifying the targeted actual or projected labor shortages in the occupation in which the proposed training project will be provided;

(H) A statement identifying that the proposed cost of training included in the application is consistent with costs recorded on the Eligible Training Provider List (ETPL), as defined in Chapter 840, Subchapter A of this title (relating to General Provisions), if the applicant's program(s) are included on the ETPL;

(I) A statement describing the eligible applicant's equal employment opportunity policy;

(J) A list of the proposed employment benefits;

(K) A statement, supported by adequate documentation, establishing that the applicant's proposed training program is a TIRA as defined by §838.2(3) of this chapter; and

(L) Any additional information contained in §838.13 of this chapter and deemed necessary by the Agency to complete an evaluation of an application.

(2) Applications shall disclose other grant funds sought or awarded from the Agency or other state and federal sources for the project proposed in the application.

(3) Applicants shall submit their application to the Agency's executive director or designee as specified in the NOA for which the applicant is applying.

(4) An applicant may, with the approval of the executive director or designee, submit an application for funding that does not contain or identify all of the required elements under paragraph (1) of this subsection. The release of any funding is contingent upon the applicant's submission, and the Agency's approval, of all the required elements in 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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Les Trobman

General Counsel

Texas Workforce Commission

Earliest possible date of adoption: March 22, 2026

For further information, please call: (737) 301-9662



SUBCHAPTER C. PROGRAM ADMINISTRATION

40 TAC §838.21, §838.24

The rules are proposed under the authority of:

--Texas Labor Code, §302.256, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which authorizes TWC to establish rules for distributing partial reimbursement payments to eligible individuals in on-the-job training programs as they achieve specific milestones.

--Texas Labor Code, §302.257, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration and enforcement of the TIRA grant program.

--Texas Labor Code, §301.0015 and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The rules relate to Title 4, Texas Labor Code, particularly Chapter 302, Subchapter I.

§838.21. *Texas Industry-Recognized Apprenticeship Grants.*

(a) Grants received under this subchapter may ~~be used to~~:

(1) reimburse an eligible grant recipient for costs incurred while training a participant who:

(A) ~~while employed~~, completes a training program operated by the grant recipient and achieves the required skill level set forth in Texas Labor Code, §302.255(4)(D); and

(B) ~~completes all~~ ~~[maintains suitable]~~ employment requirements for the ~~[for at least]~~ 12 consecutive months immediately following completion of the training program;

(2) be awarded on a TIRA-participant basis; and

(3) not exceed the lesser of:

(A) the total cost for training the participant, excluding wages and benefits; or

(B) \$10,000.

(b) In awarding a grant under this subchapter, the Agency may consider:

(1) the anticipated economic value to the state upon participants' program completion;

(2) the increased tax revenue generated by participants' wages; and

(3) the decrease in participants' use of state-funded benefits, attributable to the participants' job placements and earning projections.

(c) An eligible grant recipient may request milestone reimbursements as participants achieve training milestones, in the amounts specified in the grant agreement. The grant recipient must repay any

milestone reimbursements received for any participant who does not complete the training program, including employment requirements, in a manner specified in the grant agreement.

§838.24. Performance

The Agency shall ~~may~~:

(1) develop performance metrics, including completion rates and retention outcomes, for industry-recognized apprenticeship program participants trained or employed by a grant recipient ~~develop and adopt annual performance measures and targets for TIRAs~~;

(2) develop timelines for performance metric data reporting; and

~~{(2) consider past performance of TIRAs in determining eligibility for funding.}~~

(3) annually post aggregated performance metric data reported by grantees on the Agency's website.

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 February 3, 2026.

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Les Trobman

General Counsel

Texas Workforce Commission

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For further information, please call: (737) 301-9662

