TEXAS REGISTER

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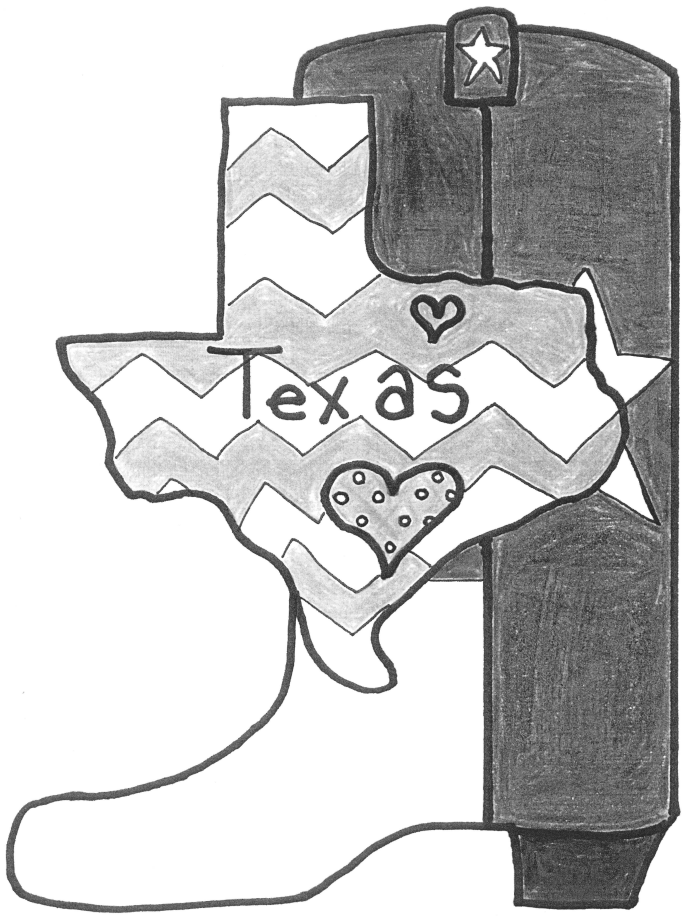
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Texas

THE GOVERNOR

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

Appointments

Appointments for March 12, 2026

Designating Lee A. Hampton, Jr. of Bellaire as presiding officer of the Texas State Board of Marriage and Family Therapists for a term to expire at the pleasure of the Governor. Mr. Hampton is replacing Lisa V. Merchant, Ph.D. of Clyde as presiding officer.

Appointed to the Public Utility Commission of Texas for a term to expire September 1, 2027, Patrick J. Rhode of Austin, Texas (replacing Lori A. Cobos of Austin, whose term expired).

Appointments for March 13, 2026

Appointed as Justice of the Seventh Court of Appeals, Place 2, for a term until December 31, 2026, or until her successor shall be duly elected and qualified, Laura A.W. Pratt of Lubbock, Texas (replacing Justice Judy C. Parker of Lubbock, who was appointed as Chief Justice of the Seventh Court of Appeals).

Appointed as Judge of the 512th Judicial District Court, Williamson County, pursuant to HB 16, 89th Legislature, Second Called Session, for a term until December 31, 2026, or until her successor shall be duly elected and qualified, Sarah T. Moore of Liberty Hill, Texas.

Appointed to the Department of Information Resources, pursuant to HB 1500, 89th Legislature, Regular Session, for a term to expire February 1, 2031, Keri E. Pearlson, D.B.A. of Austin, Texas.

Appointments for March 17, 2026

Appointed to the Commercial Oyster Mariculture Advisory Board for a term to expire February 1, 2031, Eric S. Davis of Mont Belvieu, Texas (Mr. Davis is being reappointed).

Redesignating Bradley S. "Brad" Lomax of Corpus Christi as presiding officer of the Commercial Oyster Mariculture Advisory Board for a one-year term.

Appointed to the Texas Board of Professional Geoscientists for a term to expire February 1, 2029, Tycom J. "Ty" Wright of Bedford, Texas (replacing Samuel "Sam" McGee of Boerne, who resigned).

Appointments for March 18, 2026

Appointed to the Texas Physician Assistant Board for a term to expire February 1, 2029, Shane M. Bailey, M.D. of Austin, Texas (replacing Gregory S. "Greg" Rowin, D.O. of Harlingen, who resigned).

Appointed to the Texas Physician Assistant Board for a term to expire February 1, 2029, Jennifer L. "Jen" Wegenhoft of Columbus, Texas (replacing Stephanie N. Corbett of Harker Heights, who resigned).

Appointed to the Podiatric Medical Examiners Advisory Board of a term to expire February 1, 2031, Jose L. Ayala, D.P.M. of Brownsville, Texas (replacing James M. "Michael" Lunsford, D.P.M. of Spring Branch, whose term expired).

Appointed to the Podiatric Medical Examiners Advisory Board of a term to expire February 1, 2031, Joe E. Martin, Jr., D.P.M. of College Station, Texas (Dr. Martin is being reappointed).

Appointed to the Podiatric Medical Examiners Advisory Board of a term to expire February 1, 2031, Rahul B. Patel of San Antonio, Texas (replacing Cirenia H. Terrazas of Austin, whose term expired).

Greg Abbott, Governor

TRD-202601296

♦ ♦ ♦

Proclamation 41-4270

TO ALL TO WHOM THESE PRESENTS SHALL COME:

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

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

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

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

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 18th day of March, 2026.

Greg Abbott, Governor

TRD-202601327

♦ ♦ ♦

Proclamation 41-4271

TO ALL TO WHOM THESE PRESENTS SHALL COME:

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

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

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

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

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 18th day of March, 2026.

Greg Abbott, Governor

TRD-202601328

♦ ♦ ♦

Proclamation 41-4272

TO ALL TO WHOM THESE PRESENTS SHALL COME:

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

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

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby amend and renew the aforementioned proclamation and declare a disaster in Angelina, Aransas, Atascosa, Austin, Bandera, Bastrop, Bee, Bell, Bexar, Blanco, Borden, Bowie, Brazos, Brewster, Brooks, Burleson, Burnet, Caldwell, Calhoun, Cameron, Cass, Chambers, Cherokee, Childress, Clay, Collingsworth, Colorado, Comal, Comanche, Cottle, Crosby, Dawson, Delta, DeWitt, Dickens, Dimmit, Donley, Duval, Fayette, Floyd, Foard, Fort Bend, Franklin, Frio, Gaines, Garza, Gillespie, Goliad, Gonzales, Grayson, Grimes, Guadalupe, Hall, Hardeman, Hardin, Hays, Hidalgo, Hopkins, Houston, Howard, Jackson, Jasper, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kent, Kerr, King, Kinney, Kleberg, Knox, La Salle, Lamar, Lavaca, Lee, Leon, Liberty, Live Oak, Llano, Lubbock, Lynn, Madison, Matagorda, Maverick, McMullen, Medina, Milam, Montgomery, Morris, Motley, Nacogdoches, Nueces, Panola, Pecos, Polk, Presidio, Real, Red River, Refugio, Robertson, Rusk, Sabine, San Jacinto, San Patricio, Scurry, Shelby, Starr, Titus, Travis, Trinity, Tyler, Uvalde, Victoria, Walker, Waller, Washington, Webb, Wharton, Willacy, Williamson, Wilson, Zapata, and Zavala Counties.

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

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

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

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 18th day of March, 2026.

Greg Abbott, Governor

TRD-202601329

♦ ♦ ♦

THE ATTORNEY GENERAL

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

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

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

Requests for Opinions

RQ-0632-KP

Requestor:

The Honorable Bob Hall

Chair, Senate Committee on Administration

Texas State Senate

Post Office Box 12068

Austin, Texas 78711-2068

Re: Regarding the legality of activities of election inspectors and poll watchers (RQ-0632-KP)

RQ-0633-KP

Requestor:

The Honorable Matthew A. Mills

Hood County Attorney

1200 West Pearl Street

Granbury, Texas 76048

Re: Whether Hood County may declare a moratorium on industrial development (RQ-0633-KP)

Briefs requested by March 26, 2026

RQ-0634-KP

Requestor:

The Honorable Edgar J. Garrett, Jr.

Delta County Attorney

Post Office Box 462

Cooper, Texas 75432

Re: County authority to impose moratoria on certain energy and data facilities (RQ-0634-KP)

Briefs requested by March 25, 2026

RQ-0635-KP

Requestor:

The Honorable Sarah Stogner

143rd Judicial District Attorney

Post Office Box 510

Monahans, Texas 79756

Re: Regarding voting residency of shift-work EMS personnel in Loving County (RQ-0635-KP)

Briefs requested by April 3, 2026

RQ-0636-KP

Requestor:

Mr. Patrick Kieschnick

San Patricio County Auditor

1301 East Sinton Street, Unit C

Sinton, Texas 78387

Re: Regarding what constitutes a "grave public necessity" under the Local Government Code to amend a county budget (RQ-0636-KP)

Briefs requested by April 13, 2026

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

TRD-202601279
Justin Gordon
General Counsel
Office of the Attorney General
Filed: March 17, 2026

♦ ♦ ♦

Opinions

Opinion No. KP-0518

Mr. Darrel D. Spinks

Executive Director

Texas Behavioral Health Executive Council

1801 Congress Avenue, Suite 7.300

Austin, Texas 78701

Re: Interpretation of "health care provider" under Tex. Health & Safety Code §161.701(2) and associated issues (RQ-0605-KP)

S U M M A R Y

The definition of a "health care provider" in subsection 161.701(2) of the Health and Safety Code unambiguously encompasses the profes-

sions regulated by the Texas Behavioral Health Executive Council. Any licensee that facilitates the provision of unlawful procedures or treatments that aim to transition a child's sex are thus forbidden from receiving public money in support of those efforts and, separately, risk revocation of their licenses to practice.

Opinion No. KP-0519

The Honorable Bob Hall

Chair, Senate Committee on Administration

Texas State Senate

Post Office Box 12068

Austin, Texas 78711-2068

Re: Regarding the legality of activities of election inspectors and poll watchers (RQ-0632-KP)

S U M M A R Y

State inspectors are not prohibited, as a matter of law, from taking photographs and videos while observing election activities. Neither are poll watchers prohibited, as a matter of law, from observing election activities related to mail-in ballots.

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

TRD-202601280
Justin Gordon
General Counsel
Office of the Attorney General
Filed: March 17, 2026

♦ ♦ ♦

Emergency Rules include new rules, amendments to existing rules, and the repeals of existing rules. A state agency may adopt an emergency rule without prior notice or hearing if the agency finds that an imminent peril to the public health, safety, or welfare, or a requirement of state or federal law, requires adoption of a rule on fewer than 30 days' notice. An emergency rule may be effective for not longer than 120 days and may be renewed once for not longer than 60 days (Government Code, §2001.034).

TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 153. SCHOOL DISTRICT PERSONNEL

SUBCHAPTER EE. COMMISSIONER'S RULES CONCERNING REGISTRY OF PERSONS NOT ELIGIBLE FOR EMPLOYMENT IN PUBLIC SCHOOLS

19 TAC §153.1201, §153.1253

The Texas Education Agency (TEA) adopts on an emergency basis an amendment to §153.1201 and new §153.1253, concerning definitions and temporary inclusion on the registry of persons not eligible for hire. The new section on temporary inclusions implements the requirements of Texas Education Code (TEC), §22A.152, Temporary Inclusion in Registry Based on Continuing and Imminent Threat to Public Welfare, which requires the commissioner of education to adopt rules and temporarily place a person in the registry if the commissioner determines that the person's continued employment at or provision of services to an educational entity constitutes a continuing and imminent threat to public welfare; and TEC, §22A.153, Temporary Inclusion in Registry for Certain Arrests, which requires the commissioner to adopt rules and temporarily include a person who is employed by or acting as a service provider for an educational entity in the registry if the person is arrested for an offense listed in TEC, §22A.201(a). The amendment to §153.1201 adds new definitions in new subsections (b), (c), and (e) to implement the requirements of TEC, §22A.051 and §22A.052, which require a superintendent or director of an educational entity to report misconduct to the commissioner, specifically inappropriate communications and failure to maintain appropriate boundaries with a student or minor as defined in State Board for Educator Certification (SBEC) rule. The remaining terms have been alphabetized with no changes to the definitions.

The amendment and new section are adopted on an emergency basis to take effect immediately. As a result of the SBEC recently proposing adjacent rules related to certified educators, and because of the risk of high-risk or dangerous individuals continuing to work in public schools despite actively being under criminal investigations and not in compliance with TEC, §22A.152 and §22A.153, TEA finds there is an imminent peril to public health, safety, or welfare and, pursuant to Texas Government Code, §2001.034, is adopting this emergency amendment and new rule on fewer than 30 days' notice in order to comply with requirements of state law found in TEC, Chapter 12, and its associated rules.

STATUTORY AUTHORITY. The amendment and new section are adopted under Texas Education Code (TEC), §22A.052, which requires the superintendent or director of an educational entity to report misconduct as outlined in TEC, §22A.051, to the commissioner; TEC, §22A.152, which requires the commissioner to temporarily include a person in the registry if the commissioner, based on evidence or information presented to the commissioner regarding a complaint alleging misconduct by the person, determines that the person's continued employment at or provision of services to an educational entity constitutes continuing and imminent threat to the public welfare; and TEC, §22A.153, which requires the commissioner to temporarily include a person who is employed by or acting as a service provider for educational entity if the person is arrested for an offense under TEC, §22A.201(a).

§153.1201. Definitions.

(a) Abuse--This term has the meaning assigned by Texas Family Code, §261.001(1).

(b) Boundary--The employee or service provider shall maintain appropriate professional relationships and boundaries with a student based on a reasonably prudent person standard. Factors that may be considered in context and on the totality of the circumstances in assessing whether appropriate boundaries were maintained include, but are not limited to:

(1) physical proximity or physical contact beyond the professional role or that the student has indicated is unwelcome, unless such contact is professionally required;

(2) contacting or meeting the student beyond the professional role or making efforts to gain access to or time alone with a student with no discernible professional purpose;

(3) transporting the student without permission from the student's legal guardian or in violation of school board policy, unless for an emergency;

(4) taking or possessing a photo or video of the student beyond the professional role or in violation of school board policy; and

(5) showing favoritism or isolation through gifts, rewards, or privileges.

(c) Continuing and imminent threat to public welfare--In determining a continuing and imminent threat to the public welfare under Texas Education Code (TEC), §22A.152, the commissioner of education will consider:

(1) if there is a real danger to a student or to the public from the acts or omissions of the person, including, but not limited to, solicitation, engagement of a romantic relationship, neglect, or abuse;

(2) whether the harm alleged is more than abstract, hypothetical, or remote;

(3) both actions and inactions by the person;

(4) whether the conduct occurred on or off a school district campus; and

(5) whether there have been prior complaints, investigations, or discipline of the same or similar nature against the person.

(d) Employee--A person who is employed by a school district, district of innovation, charter school, service center, or shared services arrangement and does not hold a certification issued by the State Board for Educator Certification under TEC, Chapter 21, Subchapter B.

(e) Inappropriate communication--The employee or service provider shall refrain from inappropriate communication with a student or minor, including, but not limited to, electronic communication such as cell phone, text messaging, email, instant messaging, blogging, or other social network communication. Factors that may be considered in context and on the totality of the circumstances in assessing whether the communication is inappropriate include, but are not limited to:

(1) the nature, purpose, timing, and amount of the communication;

(2) the subject matter of the communication;

(3) whether the communication was made openly or the employee or service provider attempted to conceal the communication;

(4) whether the communication could be reasonably interpreted as soliciting sexual contact or a romantic relationship;

(5) whether the communication was sexually explicit;

(6) whether the communication involved discussion(s) of the physical or sexual attractiveness or the sexual history, activities, preferences, or fantasies of either the employee or service provider or the student; and

(7) whether the communication could be reasonably interpreted as threatening the welfare and/or safety of the student.

(f) Nonprofit teacher organization--An organization approved by the commissioner to participate in a tutoring program under TEC, §33.913.

(g) Private school--A non-public school that offers a course of instruction for students in Texas in one or more grades from Prekindergarten-Grade 12 and is:

(1) accredited by an organization that is monitored and approved by the Texas Private School Accreditation Commission;

(2) listed in the National Center for Education Statistics database; or

(3) a child care provider that is licensed by the Texas Health and Human Services Commission.

(h) [~~(a)~~] Solicitation of sexual contact--Deliberate or repeated acts that can be reasonably interpreted as the solicitation by an employee of a relationship with a student that is sexual in nature. Solicitation of sexual contact is often characterized by a strong emotional or sexual attachment and/or by patterns of exclusivity but does not include appropriate relationships that arise out of legitimate contexts such as familial connections or longtime acquaintance. The following acts, considered in context, may constitute prima facie evidence of the solicitation by an employee of sexual contact with a student:

(1) behavior, gestures, expressions, or communications with a student that are unrelated to the employee's job duties and evidence a sexual intent or interest in the student, including statements of love, affection, or attraction. Factors that may be considered in determining the intent of such communications or behavior, include, without limitation:

(A) the nature of the communications;

(B) the timing of the communications;

(C) the extent of the communications;

(D) whether the communications were made openly or secretly;

(E) the extent that the employee attempts to conceal the communications;

(F) if the employee claims to be counseling a student, the commissioner [~~of education~~] may consider whether the employee's job duties included counseling, whether the employee reported the subject of the counseling to the student's guardians or to the appropriate school personnel, or, in the case of alleged abuse or neglect, whether the employee reported the abuse or neglect to the appropriate authorities; and

(G) any other evidence tending to show the context of the communications between employee and student;

(2) making inappropriate comments about a student's body, creating or transmitting sexually suggestive photographs or images, or encouraging the student to transmit sexually suggestive photographs or images;

(3) making sexually demeaning comments to a student;

(4) making comments about a student's potential sexual performance;

(5) requesting details of a student's sexual history;

(6) requesting a date, sexual acts, or any activity intended for the sexual gratification of the employee;

(7) engaging in conversations regarding the sexual problems, preferences, or fantasies of either party;

(8) inappropriate hugging, kissing, or excessive touching;

(9) providing the student with drugs or alcohol;

(10) violating written directives from school administrators regarding the employee's behavior toward a student;

(11) suggestions that a romantic relationship is desired after the student graduates, including post-graduation plans for dating or marriage; and

(12) any other acts tending to show that the employee solicited sexual contact with a student.

[~~(b) Abuse--This term has the meaning assigned by Texas Family Code, §261.001(1).~~]

[~~(c) Private school--A non-public school that offers a course of instruction for students in Texas in one or more grades from Prekindergarten-Grade 12 and is:~~]

[~~(1) accredited by an organization that is monitored and approved by the Texas Private School Accreditation Commission;~~]

[~~(2) listed in the National Center for Education Statistics database; or~~]

[~~(3) a child care provider that is licensed by the Texas Health and Human Services Commission.~~]

[~~(d) Employee--A person who is employed by a school district, district of innovation, charter school, service center, or shared services arrangement and does not hold a certification issued by the State Board for Educator Certification under Texas Education Code, Chapter 21, Subchapter B.~~]

~~[(e) Nonprofit teacher organization--An organization approved by the commissioner of education to participate in a tutoring program under Texas Education Code, §33.913.]~~

§153.1253. Temporary Inclusion in Registry.

(a) For each temporary inclusion matter, the commissioner of education or designee shall temporarily include a person in the registry if:

(1) based on evidence or information presented to the commissioner or designee regarding a complaint alleging misconduct by the person, the commissioner or designee determines that the person's continued employment at or provision of services to an educational entity constitutes a continuing and imminent threat to the public welfare; or

(2) the person is arrested for an offense listed under Texas Education Code (TEC), §22A.201(a), and is employed by or acting as a service provider for an educational entity.

(b) Evidence will be considered under a relaxed standard described in Texas Government Code, §2001.081, including information of a type on which a reasonably prudent person commonly relies in the conduct of the person's affairs, necessary to ascertain facts not reasonably susceptible of proof under formal rules of evidence, and not precluded by statute.

(c) If the commissioner or designee temporarily includes a person on the registry, the inclusion shall have immediate effect, and the commissioner or designee will sign an order of temporary inclusion. The order of temporary inclusion shall be sent to the respondent via email or first-class mail.

(d) In accordance with TEC, §22A.152(b), a person may be included without notice to the respondent if at the time of the inclusion, Texas Education Agency (TEA) staff initiates proceedings at the State Office of Administrative Hearings (SOAH) simultaneously with the temporary inclusion and a hearing is held as soon as possible under TEC, §22A.152, and Texas Government Code, Chapter 2001.

(e) At the probable cause hearing, an administrative law judge (ALJ) shall determine whether there is probable cause to continue the temporary inclusion of the person and issue an order on that determination.

(f) SOAH shall hold a hearing no later than 61 days from the date of the temporary inclusion or the date of the final disposition if the temporary inclusion is issued under TEC, §22A.153. At this hearing, TEA staff shall present evidence supporting the continued inclusion of the person and may present evidence of any additional violations related to the respondent. This hearing is referred to as the "final hearing."

(g) TEA staff shall send notice of the final hearing in accordance with SOAH's rules. The respondent may request a continuance or waive the final hearing.

(h) Following the final hearing, the ALJ shall issue a proposal for decision on the inclusion. The proposal for decision may also address any other additional violations related to the respondent.

(i) For purposes of inclusion or restriction under TEC, §22A.153, final disposition of a criminal case includes evidence of:

(1) final, non-appealable conviction;

(2) acceptance and entry of a plea agreement;

(3) dismissal;

(4) acquittal; or

(5) successful completion of a deferred adjudication.

(j) A temporary inclusion takes effect immediately and shall remain in effect until:

(1) a final or superseding order of the commissioner or designee is entered;

(2) TEA staff receives documentation that the information or indictment that served as the underlying basis for arrest has been dismissed or otherwise nullified, the prosecuting authority rejects the prosecution, or charges are dismissed for a temporary inclusion under TEC, §22A.153; or

(3) the ALJ issues an order determining that there is no probable cause to continue the temporary inclusion under TEC, §22A.152.

(k) Upon final disposition of a criminal case, a person may submit a written request prior to a final hearing requesting removal from the registry. Upon receipt, TEA staff shall verify any and all related dispositions prior to removal. The request must include:

(1) a certified copy of records listed in subsection (i) of this section; and

(2) a written confirmation that any related dispositions are not subject to TEC, §22A.201(a).

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

Filed with the Office of the Secretary of State on March 10, 2026.

TRD-202601153
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Effective date: March 10, 2026
Expiration date: July 7, 2026
For further information, please call: (512) 475-1497

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TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

CHAPTER 20. STATEWIDE PROCUREMENT AND SUPPORT SERVICES

SUBCHAPTER D. SOCIO-ECONOMIC PROGRAM

DIVISION 1. HISTORICALLY UNDERUTILIZED BUSINESSES

34 TAC §§20.281, 20.282, 20.284, 20.285, 20.288, 20.294 - 20.296, 20.298

The Comptroller of Public Accounts is renewing the effectiveness of emergency amended §§20.281, 20.282, 20.284, 20.285, 20.288, 20.294 - 20.296, 20.298 for a 60-day period. The text of the emergency rule was originally published in the December 12, 2025, issue of the *Texas Register* (50 TexReg 7953).

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

TRD-202601264
Don Neal
General Counsel, Operations and Support Legal Services
Comptroller of Public Accounts
Original effective date: December 2, 2025
Expiration date: May 30, 2026
For further information, please call: (512) 475-2220

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

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

TITLE 1. ADMINISTRATION

PART 3. OFFICE OF THE ATTORNEY GENERAL

CHAPTER 67. FOREIGN OWNERSHIP ENFORCEMENT

1 TAC §§67.1 - 67.9

The Office of the Attorney General (OAG) proposes new Chapter 67 in Title 1, Part 3 of the Texas Administrative Code (TAC), relating to foreign ownership enforcement. The proposed rules are necessary to implement and administer Subchapter H, Chapter 5, Texas Property Code, as added by Senate Bill 17 (S.B. 17), 89th Legislature, Regular Session (2025), effective September 1, 2025. S.B. 17 established restrictions on certain purchases or acquisitions of interests in real property in this State by designated foreign persons or entities.

EXPLANATION AND JUSTIFICATION OF RULES

During its 89th Regular Session (2025), the Texas Legislature enacted S.B. 17, effective September 1, 2025. S.B. 17 added Subchapter H (Sections 5.251-5.259) to Chapter 5 of the Texas Property Code. The legislation prohibits certain foreign individuals, foreign governmental entities, and foreign-owned or foreign-controlled companies and organizations from purchasing or otherwise acquiring an interest in real property in this State, and authorizes the OAG to examine transactions, investigate potential violations, bring civil enforcement actions, and coordinate with other agencies in carrying out Subchapter H.

Proposed new Chapter 67 establishes procedures and standards to facilitate the uniform implementation and enforcement of Subchapter H. The proposed rules define key terms, including those addressing entity-level acquisitions and arrangements that, in substance, create covered real-property interests; establish duties and procedures for the submission of complaints, including obligations applicable to facilitating entities; set timelines and requirements for responding to civil investigative demands and Secretary of State (SOS) interrogatories; direct interagency coordination; and provide confidentiality standards for complaints, investigative materials, and related records. These procedures are intended to support consistent administration of Subchapter H and ensure effective investigative and enforcement processes.

SECTION-BY-SECTION SUMMARY

Proposed §67.1 describes the purpose and applicability of Chapter 67, stating that the rules implement and enforce Subchapter H, Chapter 5, Texas Property Code, and apply only to purchases or acquisitions of an interest in real property in this State occurring on or after September 1, 2025, consistent with the statutory effective date and applicability provisions of Subchapter H.

Proposed §67.2 defines terms used in Chapter 67, including "control," "facilitating entity," "foreign person or entity," "interest in real property in this State," and "purchase or otherwise acquire," and incorporates statutory definitions by reference to Subchapter H, Chapter 5, Texas Property Code. The definitions are intended to mirror and supplement statutory terms in order to provide clarity for regulated parties, including by addressing transactions involving successive short-term arrangements and acquisitions of entities that hold covered real property interests.

Proposed §67.3 requires the OAG to maintain a designated enforcement unit responsible for receiving, reviewing, investigating, and enforcing compliance with Subchapter H, Chapter 5, Texas Property Code. The section describes the unit's core functions, including accepting complaints, issuing guidance and responses to written inquiries regarding the applicability of Subchapter H to specific transactions, coordinating with state agencies and political subdivisions, and referring matters to appropriate licensing or regulatory bodies when warranted by statute.

Proposed §67.4 specifies how complaints alleging violations of Subchapter H, Chapter 5, Texas Property Code may be submitted to the OAG. The section provides that a facilitating entity that knows or should have known, after reasonable due diligence, that a purchase or acquisition of an interest in real property in this State violates Subchapter H has a duty to submit a complaint, and it also allows any person to submit a complaint. The section establishes permissible methods of filing, authorizes a standardized complaint form, and provides that the OAG may refer a facilitating entity that fails to submit a required complaint to the appropriate licensing or professional disciplinary authority; the section is intended to implement the statutory scheme and does not create any cause of action or remedy beyond those provided by law.

Proposed §67.5 sets out response requirements for civil investigative demands issued by the OAG under Subchapter H, Chapter 5, Texas Property Code and for interrogatories issued by the SOS under that subchapter. The section provides that the OAG and SOS must generally allow at least seven calendar days to respond absent exigent circumstances and authorizes extensions of time for good cause shown, thereby promoting fair notice and orderly enforcement within existing statutory authority.

Proposed §67.6 directs the OAG to consult, as necessary, with the SOS, the Texas Real Estate Commission, the Texas Department of Insurance, and other relevant regulatory agencies to promote consistent and uniform implementation and enforcement of Subchapter H, Chapter 5, Texas Property Code. This coordination provision is procedural in nature and is intended to support

the effective exercise of statutory powers already granted to the OAG and other agencies.

Proposed §67.7 addresses the confidentiality of complaints, investigative demands, interrogatories, and related responses, records, and information generated in connection with the administration of Chapter 67 and Subchapter H, Chapter 5, Texas Property Code. The section provides that such materials are confidential and not subject to public disclosure except as required or otherwise authorized by law, identifies limited circumstances in which they may be disclosed to courts, the SOS, other state agencies identified in Subchapter H, and federal agencies to enforce Subchapter H or promote the objectives of S.B. 17, and requires receiving agencies to maintain confidentiality to the extent authorized by law; the section is intended to operate consistently with and not in derogation of applicable public-information and confidentiality statutes.

Proposed §67.8 is a savings clause stating that nothing in Chapter 67 limits or affects the OAG's existing authority to request, obtain, or compel the production of information under any other provision of Texas law, including the Texas Constitution, statutes, or other applicable rules. This section is intended to clarify that Chapter 67 is supplemental and does not narrow or expand the OAG's independent statutory or constitutional powers.

Proposed §67.9 is a severability provision stating that the provisions of Chapter 67 are severable so that, if any provision or application is held invalid, the remaining valid provisions and applications remain in effect. This section is consistent with general principles of statutory construction and is intended to preserve the operation of valid portions of the rules if a court invalidates any particular portion.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENTS

Justin Gordon, General Counsel, has determined that for the first five-year period the proposed rules are in effect, there are no estimated additional costs or reductions in costs to state or local government as a result of enforcing or administering the rules, beyond any costs associated with implementing Subchapter H, Chapter 5, Texas Property Code, as enacted.

PUBLIC BENEFIT AND COST NOTE

Justin Gordon, General Counsel, has determined that for the first five-year period the proposed rules are in effect, the anticipated public benefit is increased clarity, uniformity, and consistency in implementing Subchapter H, Chapter 5, Texas Property Code. The proposed rules set out definitions, complaint procedures, investigative timelines, and interagency coordination standards that support consistent administration of the statute.

Mr. Gordon has further determined that there are no anticipated additional significant economic costs to persons required to comply with the proposed rules beyond those imposed by Subchapter H, Chapter 5, Texas Property Code.

IMPACT ON LOCAL EMPLOYMENT OR ECONOMY

The OAG has determined that the proposed rules do not have a measurable impact on local employment or local economies. The rules implement procedural requirements for an existing statutory program and are not expected to affect employment levels or economic conditions. Therefore, no local employment or economy impact statement is required under Texas Government Code § 2001.022.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICROBUSINESSES, AND RURAL COMMUNITIES

The OAG has determined that for each year of the first five-year period the proposed rules are in effect, no adverse fiscal impact on small businesses, microbusinesses, or rural communities is anticipated.

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

TAKINGS IMPACT ASSESSMENT

The OAG has determined that the proposed rules implement Subchapter H, Chapter 5, Texas Property Code, and do not independently restrict, limit, or impose a burden on private real property rights beyond those established by statute. Accordingly, the proposed rules do not constitute a taking and do not require a takings impact assessment under Texas Government Code § 2007.043.

GOVERNMENT GROWTH IMPACT STATEMENT

In compliance with Texas Government Code §2001.0221, the OAG has prepared a government growth impact statement. During the first five years the proposed rules are in effect, the proposed rules:

- will not create 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 lead to an increase or decrease in fees paid to a state agency;

- will create a new rule;

- will not repeal an existing regulation;

- will not result in a decrease in the number of individuals subject to the rule; and

- will not positively or adversely affect the state's economy.

REQUEST FOR PUBLIC COMMENT

Written comments on the proposed rules may be submitted electronically to the OAG by email to OAGRuleCommentsCh67@oag.texas.gov, or by mail to General Counsel Division, Attn: Rule Comments, Office of the Attorney General, P.O. Box 12548, Austin, Texas 78711-2548. Comments will be accepted for 30 days following publication in the *Texas Register*.

To request a public hearing on the proposal, submit a request before the end of the comment period by email to OAGRuleCommentsCh67@oag.texas.gov, or by mail to General Counsel Division, Attn: Rule Comments, Office of the Attorney General, P.O. Box 12548, Austin, Texas 78711-2548.

STATUTORY AUTHORITY

The new 1 TAC Chapter 67 is proposed under Subchapter H, Chapter 5, Texas Property Code, which authorizes the OAG to investigate and enforce compliance with statutory restrictions on certain purchases or acquisitions of interests in real property in this State by designated foreign persons or entities, and Texas

Government Code Chapter 2001, which authorizes state agencies to adopt rules necessary to carry out their statutory duties. The proposed rules implement and administer the requirements of Subchapter H.

CROSS-REFERENCE TO STATUTE.

These rules implement Subchapter H, Chapter 5, Texas Property Code. No other rule, regulation, or law is affected by this proposal.

§67.1. Purpose and Applicability.

(a) The purpose of this chapter is to implement and enforce Subchapter H, Chapter 5, Texas Property Code, relating to restrictions on certain purchases or acquisitions of interests in real property in this State by designated foreign persons or entities.

(b) This chapter applies only to purchases or acquisitions of an interest in real property in this State that occur on or after September 1, 2025.

§67.2. Definitions.

In this chapter, the following terms have the meanings assigned below:

(1) Complaint--A written or electronic statement submitted to the OAG alleging a violation of Subchapter H, Chapter 5, Texas Property Code, that includes facts sufficient to identify the transaction or conduct at issue.

(2) Control--The possession, direct or indirect, of the power to direct or cause:

(A) the direction of the management or policies of an entity; or

(B) the acquisition or disposition of an interest in real property in this State by an entity, whether through ownership, by contract, office, position, or otherwise. Without limiting the foregoing, each of the following shall be deemed to be in control of an entity:

(i) a general partner;

(ii) a managing member;

(iii) a shareholder or stockholder holding ten percent or more of voting interests;

(iv) any executive officer of an entity; and

(v) any person who has the present or future right to acquire or dispose of an interest in real property in this State by such entity.

(3) Facilitating entity--A person or entity that, in the regular course of business, assists with, brokers, insures, finances, values, or processes a purchase or acquisition of an interest in real property in this State, including, but not limited to, a mortgage lender, title insurance company, property insurer, appraiser, or licensed real estate professional.

(4) Foreign person or entity--An individual or entity described in §5.253 of the Texas Property Code.

(5) Interest in real property in this State--Has the meaning assigned by §5.251(6) of the Texas Property Code. The term does not include a leasehold interest with a duration of less than one year, as provided by §5.252(3) of the Texas Property Code. The term includes a series of licenses, leases, or other arrangements that, in substance, create a leasehold interest in real property in this State for one year or longer, even if structured as successive short-term agreements.

(6) Purchase or otherwise acquire--In addition to the direct purchase or acquisition of an interest in real property in this State, the term includes:

(A) any transaction or series of transactions by which a person or entity obtains control of an entity that owns an interest in real property in this State, including a redemption or repurchase of the entity's outstanding interests, regardless of whether the entity acquired the real property before September 1, 2025; and

(B) a series of licenses, leases, or other arrangements that, in substance, create a leasehold interest in real property in this State for one year or longer, even if structured as successive short-term agreements.

(7) Unless the context clearly indicates otherwise, a term defined in Subchapter H, Chapter 5, Texas Property Code, has the meaning assigned by that subchapter.

§67.3. OAG Enforcement Unit.

(a) The Office of the Attorney General (OAG) shall maintain a designated enforcement unit responsible for receiving, reviewing, investigating, and enforcing compliance with Subchapter H, Chapter 5, Texas Property Code.

(b) The unit shall:

(1) Accept written or electronic complaints alleging violations of Subchapter H, Chapter 5, Texas Property Code;

(2) Issue guidance and respond to written inquiries regarding the applicability of Subchapter H, Chapter 5, Texas Property Code to specific transactions;

(3) Coordinate with state agencies and political subdivisions affected by the implementation and enforcement of Subchapter H, Chapter 5, Texas Property Code; and

(4) Refer violations to the appropriate licensing or regulatory body.

§67.4. Complaint Submission.

(a) A facilitating entity that knows or should have known, after reasonable due diligence, that a purchase or acquisition of an interest in real property in this State violates Subchapter H, Chapter 5, Texas Property Code must submit a complaint to the OAG.

(b) Any person may submit a complaint under this section.

(c) Complaints must be submitted electronically through the OAG's online complaint portal or by mail to the address designated by the OAG for this purpose.

(d) The OAG may prescribe a standardized complaint form to facilitate consistent filings.

(e) If the OAG determines that a facilitating entity knew or should have known, after reasonable due diligence, of a violation but failed to file a complaint, the OAG may refer the matter to the appropriate licensing or professional disciplinary authority.

(f) The duty in this subsection includes transactions structured as post-closing transfers or assignments to affiliates, parents, subsidiaries, or entities under common ownership or control when used to effect or conceal a prohibited acquisition.

§67.5. Investigative Demands and Response Requirements.

(a) A person must respond to a civil investigative demand issued by the OAG under Subchapter H, Chapter 5, Texas Property Code by the date specified in the demand; however, the OAG must provide at

least seven (7) calendar days for response unless exigent circumstances require a shorter timeframe. Upon written request and for good cause shown, the OAG may extend the response deadline.

(b) A person must respond to interrogatories issued by the Secretary of State (SOS) by the date specified in the demand; however, the SOS must provide at least seven (7) calendar days for response unless exigent circumstances require a shorter timeframe. Upon written request and for good cause shown, the SOS may extend the response deadline.

§67.6. Interagency Coordination.

The OAG shall consult, as necessary, with the SOS, Texas Real Estate Commission, Texas Department of Insurance, and other relevant regulatory agencies to ensure the uniform implementation and enforcement of Subchapter H, Chapter 5, Texas Property Code.

§67.7. Confidentiality of Records.

(a) All complaints, civil investigative demands, interrogatories, and requests for information issued by the OAG, and all responses, records, and other information submitted or generated in connection with such requests under this chapter, are confidential and not subject to public disclosure, except as required by law.

(b) Confidential records under this section may be disclosed only:

(1) pursuant to a court order;

(2) to the SOS or other state agency identified in Subchapter H, Chapter 5, Texas Property Code;

(3) to federal agencies, as necessary to enforce Subchapter H, Chapter 5, Texas Property Code, or to promote the objectives of Senate Bill 17; or

(4) as otherwise authorized by law.

(c) Any agency receiving records under this section shall maintain the confidentiality of the records to the extent authorized by law.

§67.8. Savings Clause.

Nothing in this chapter shall be construed to limit or affect the authority of the OAG to request, obtain, or compel the production of information under any other provision of Texas law, including but not limited to the Texas Constitution, statutes, or other applicable rules.

§67.9. Severability.

(a) All provisions of this chapter are severable.

(b) If any application of any provision of this chapter is held to be invalid for any reason, all valid provisions are severable from the invalid provisions and remain in effect. If any section or portion of a section is held to be invalid in one or more of its applications, in all valid applications the provisions remain in effect and are severable from the invalid applications.

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 March 16, 2026.

TRD-202601232
Justin Gordon
General Counsel
Office of the Attorney General
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 475-3210

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TITLE 16. ECONOMIC REGULATION

PART 2. PUBLIC UTILITY COMMISSION OF TEXAS

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

SUBCHAPTER C. INFRASTRUCTURE AND RELIABILITY

16 TAC §25.63

The Public Utility Commission of Texas (commission) proposes new 16 Texas Administrative Code (TAC) §25.63, relating to Distribution Pole Management and Inspection Plans, to implement Public Utility Regulatory Act (PURA) §38.103, as enacted by House Bill 144 during the 89th Regular Texas Legislative Session.

New 16 TAC §25.63 will require each electric utility, municipally owned utility, and electric cooperative that owns or operates a distribution asset in this state to file with the commission a distribution pole management and inspection plan and an annual compliance update.

Growth Impact Statement

The agency provides the following governmental growth impact statement for the proposed rule, as required by Texas Government Code §2001.0221. The agency has determined that for each year of the first five years that the proposed rule is in effect, the following statements will apply:

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

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

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

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

(5) the proposed rule will create a new regulation;

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

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

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

Fiscal Impact on Small and Micro-Businesses and Rural Communities

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

Takings Impact Analysis

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

Fiscal Impact on State and Local Government

James Euton, Project Engineer, Infrastructure Division, has determined that for the first five-year period the proposed rule is in effect, there will be no fiscal implications for the state or for units of local government under Texas Government Code §2001.024(a)(4) as a result of enforcing or administering the sections.

Public Benefits

Mr. Euton has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be the enhancement of public transparency into the planning, management, and inspection processes of electric utilities, municipally owned utilities, and electric cooperatives, as related to distribution poles. There will be no probable economic cost to persons required to comply with the rule under Texas Government Code §2001.024(a)(5).

Local Employment Impact Statement

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

Costs to Regulated Persons

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

Public Hearing

Commission staff will conduct a public hearing on this rulemaking if requested in accordance with Texas Government Code §2001.029. The request for a public hearing must be received by April 27, 2026. If a request for public hearing is received, commission staff will file in this project a notice of hearing.

Public Comments

Interested persons may file comments electronically through the interchange on the commission's website. Comments must be filed by April 27, 2026. Comments should be organized in a manner consistent with the organization of the proposed rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed rule. The commission will consider the costs and benefits in deciding whether to modify the proposed rule on adoption. All comments should refer to Project Number 59431.

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

Statutory Authority

The new rule is proposed under Public Utility Regulatory Act (PURA) §§14.001, which grants the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by this title that is necessary and convenient to the exercise of that power and jurisdiction; 14.002, which authorizes the commission to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; and 38.103, which requires each electric utility, municipally owned utility, and electric cooperative that distributes electric energy to the public to submit to the commission a plan for the management and inspection of distribution poles the cooperative or utility owns in the cooperative's or utility's distribution system.

Cross Reference to Statute: Public Utility Regulatory Act §§14.001; 14.002; and 38.103.

§25.63. Distribution Pole Management and Inspection Plans.

(a) Applicability. This section applies to each electric utility, municipally owned utility, and electric cooperative that owns or operates a distribution asset in this state.

(b) Definition. Entity--An electric utility, a municipally owned utility, or an electric cooperative operating in this state.

(c) Distribution pole management and inspection plan. An entity that owns or operates a distribution asset in this state must file with the commission a plan for the management and inspection of distribution poles according to the requirements of this subsection.

(1) Filing requirements.

(A) Initial plan. By January 1, 2027, an entity must file an initial plan in a control number designated for this purpose by commission staff.

(B) Subsequent plans.

(i) By January 1, 2028, an entity must file, in the control number designated under subparagraph (A) of this paragraph:

(I) An affidavit that the entity's initial plan complies with the transmission and distribution pole structural integrity standards adopted by the commission under Public Utility Regulatory Act (PURA) §38.006; or

(II) A revised plan that complies with the transmission and distribution pole structural integrity standards adopted by the commission under PURA §38.006.

(ii) After January 1, 2028:

(I) an electric utility must file a revised plan by January 1 of every eighth year, starting January 1, 2032; and

(II) a municipally owned utility must file a revised plan by January 1 of every eighth year, starting January 1, 2034; and

(III) an electric cooperative must file a revised plan by January 1 of every eighth year, starting January 1, 2036.

(C) An entity must file a plan as a searchable pdf document and in Microsoft Excel format for all included tables, with formulas intact.

(2) Contents. An entity's plan must contain:

(A) A statement of the plan's scope and objectives for ensuring public safety through the effective management, inspection, maintenance, and repair of distribution poles;

(B) A description of the roles and responsibilities of individuals responsible for overseeing and executing the plan;

(C) A description of the entity's processes for training and certifying personnel, including third-party vendors, who inspect distribution poles;

(D) An estimated timeline for completing inspections and remedial action required for any distribution pole identified as unreliable, unsafe, or needing repair that is consistent with the transmission and distribution pole structural integrity standards adopted by the commission under PURA §38.006;

(E) A description of the entity's processes for documenting and responding to a report or complaint made by a landowner regarding the condition or repair of a distribution pole;

(F) For a plan submitted by an electric utility, the estimated cost of implementing the plan; and

(G) A description of the entity's methods for monitoring compliance with the plan.

(3) Substantially similar information. A municipally owned utility or an electric cooperative may fulfill the requirements of paragraph (2) of this subsection by submitting any information required under other law that is substantially similar to the information required by paragraph (2) of this subsection. A municipally owned utility or an electric cooperative must clearly identify in its plan the requirement the submitted information is intended to fulfill and include a description of why the submitted information is substantially similar to that requirement.

(d) Annual compliance update. An entity with a plan on file with the commission under subsection (c) of this section must file an annual compliance update not later than May 1 of each year.

(1) Filing requirements.

(A) An entity must file the annual compliance update in a control number or other filing method designated for this purpose by commission staff. The update must be filed as a searchable pdf document and in Microsoft Excel format for all included tables, with formulas intact.

(B) An electric utility's annual compliance update must include both the information required under paragraph (2) of this subsection and the information required under §25.94, relating to Report on Infrastructure Improvement and Maintenance. The filing must clearly identify and delineate the information that is responsive to the requirements of paragraph (2) of this subsection and §25.94, respectively.

(2) Contents. An entity's annual compliance update must include:

(A) A detailed description of the entity's compliance with the plan objectives reported under subsection (c)(2)(A) of this section;

(B) the actual costs of implementing the plan to date, presented as a total and by compliance year; and

(C) the results of the entity's distribution pole inspections, including:

(i) the total number of poles inspected, presented as a number and a percentage of the entity's total number of distribution poles;

(ii) the number of poles inspected and identified as needing remediation, accompanied by an indication of the necessary remedial action and the entity's progress towards completing the action (i.e., planned, in-progress, delayed, and completed) for each pole;

(iii) the number of poles inspected and identified as needing replacement, accompanied by an indication of the entity's progress (i.e., planned, in-progress, delayed, and completed) towards replacing each pole; and

(iv) the number of poles inspected and identified as a danger pole, accompanied by an indication of the entity's progress (i.e., planned, in-progress, delayed, and completed) towards making safe and replacing each pole.

(e) Compliance review. Commission staff will review each entity's plan and annual compliance update to determine compliance with the plan objectives under subsection (c)(2)(A) of this section and issue notice of its determination to the submitting entity and to the commission.

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 March 12, 2026.

TRD-202601173
Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 936-7044

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SUBCHAPTER I. TRANSMISSION AND DISTRIBUTION
DIVISION 1. OPEN-ACCESS COMPARABLE TRANSMISSION SERVICE FOR ELECTRIC UTILITIES IN THE ELECTRIC RELIABILITY COUNCIL OF TEXAS

16 TAC §25.194

The Public Utility Commission of Texas (commission) proposes new 16 Texas Administrative Code (TAC) §25.194 relating to Large Load Interconnection Standards. This proposed rule will implement Public Utility Regulatory Act (PURA) §37.0561, as enacted by Senate Bill (SB) 6 during the Texas 89th Regular Legislative Session. The new rule will implement new PURA §37.0561, which requires the commission to establish standards for interconnecting large load customers in the ERCOT power region in a manner designed to support business development in this state while minimizing the potential for stranded infrastructure costs and maintaining system reliability. The new rule will require a large load customer, before the large load customer can be included in an ERCOT interconnection study, to execute an intermediate agreement that requires the large load customer to provide certain disclosures and post financial security in the amount of $100,000 per megawatt (MW). The new rule will also require a large load customer, not later than 30 days after ERCOT completes the interconnection study, to execute an interconnection agreement that requires the large load customer to update its disclosures, pay a non-refundable interconnection fee in the amount of $100,000 per MW; post financial security for significant equipment or services; pay contribution in aid of construction for direct interconnection costs; and post financial security for system upgrades. Additionally, the new rule will set forth the consequences of withdrawing all or a portion of requested peak demand or contracted peak demand and the consequences of failing to satisfy a milestone in the large load customer's schedule for phased energization. Finally, the new

rule will set forth the terms for refund of financial security for a large load customer that energizes.

Growth Impact Statement

The agency provides the following governmental growth impact statement for the proposed rule, as required by Texas Government Code §2001.0221. The agency has determined that for each year of the first five years that the proposed rule is in effect, the following statements will apply:

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

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

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

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

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

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

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

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

Fiscal Impact on Small and Micro-Businesses and Rural Communities

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

Takings Impact Analysis

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

Fiscal Impact on State and Local Government

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

Public Benefits

Ms. Horn has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be increased transparency and support of business development. There will be a probable economic cost to persons required to comply with the rule under Texas Government Code §2001.024(a)(5) because PURA §37.0561, which the rule implements, requires large load customers to make financial commitments.

Local Employment Impact Statement

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

Costs to Regulated Persons

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

Public Hearing

Commission staff will conduct a public hearing on this rulemaking if requested in accordance with Texas Government Code §2001.029. The request for a public hearing must be received by April 17, 2026. If a request for public hearing is received, commission staff will file in this project a notice of hearing.

Public Comments

Interested persons may file comments electronically through the interchange on the commission's website or by submitting a paper copy to Central Records, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326. Initial comments must be filed by April 17, 2026. Comments should be organized in a manner consistent with the organization of the proposed rules. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed rule. The commission will consider the costs and benefits in deciding whether to modify the proposed rules on adoption. All comments should refer to Project Number 58481.

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

Statutory Authority

The new rule is proposed under Public Utility Regulatory Act (PURA) §14.001, which grants the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by this title that is necessary and convenient to the exercise of that power and jurisdiction; §14.002, which authorizes the commission to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; §35.004, which requires the commission to ensure that a large load customer who is subject to the standards adopted under PURA §37.0561 contributes to the recovery of the interconnecting electric utility's costs to interconnect the large load customer to the utility's system; §37.0561, which requires the commission to establish standards for interconnecting large load customers in the ERCOT power region in a manner designed to support business development in this state while minimizing the potential for stranded infrastructure costs and maintaining system reliability; and §39.151, which grants the commission authority to oversee ERCOT.

Cross Reference to Statute: Public Utility Regulatory Act §14.002; §14.002; §35.004; §37.0561; §39.151.

§25.194. Large Load Interconnection Standards.

(a) Purpose and Scope. This section sets forth the standards and criteria for an electric utility, a municipally owned utility, and electric cooperative to interconnect a large load customer to the ERCOT

system. Nothing in this section limits the authority of a municipally owned utility or an electric cooperative to impose electric service requirements for large load customers on their systems in addition to the standards adopted under this section.

(b) Applicability. This section applies to a large load customer that seeks:

(1) a new interconnection that is equal to or exceeds 75 megawatts (MW);

(2) an expanded interconnection that equals or exceeds 75 MW for the first time; and

(3) an expanded interconnection that exceeds 75 MW by 75 MW or more.

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

(1) Backup generating facilities--Generation facilities or energy storage facilities that are not capable of operating, or are not configured to operate, in parallel with the ERCOT system and cannot export energy to the ERCOT system.

(2) Competitively sensitive information--Competitively sensitive information includes exact site locations, such as parcel identifiers or property boundaries; commercial terms, such as pricing or internal development prioritization; proprietary architectural, operational, or compute-deployment strategies; and financing structures. Competitively sensitive information does not include the identity of a large load customer; general site location, such as load zone; requested or contracted peak demand; timing of energization; or whether an interconnection request is associated with the same applicant or affiliated entities.

(3) Contracted peak demand--The total non-coincident peak demand that a large load customer requests that an interconnecting DSP or an interconnecting TSP serve at a site as stated interconnection agreement.

(4) Interconnecting distribution service provider (DSP)--The electric utility, municipally owned utility, or electric cooperative that is certificated to provide retail electric delivery service at the location in which the large load customer seeks to interconnect.

(5) Interconnecting transmission service provider (TSP)--The electric utility, municipally owned utility, or electric cooperative that owns and operates the facilities necessary to interconnect the large load customer to the ERCOT system.

(6) Interconnection agreement--An agreement that is executed by a large load customer, the interconnecting DSP, and, if different from the interconnecting DSP, the interconnecting TSP after completion of the interconnection study and that, at a minimum, satisfies subsection (f) of this section.

(7) Interconnection study--The set of studies that are required by ERCOT before a large load customer may be interconnected.

(8) Intermediate agreement--An agreement that is executed by a large load customer, the interconnecting DSP, and, if different from the interconnecting DSP, the interconnecting TSP before the interconnection study are initiated and that, at a minimum, satisfies subsection (d) of this section.

(9) Large load customer--An entity requesting a new or expanded interconnection where the customer's total expected non-coincident peak demand at a single site is equal to or exceeds 75 MW.

(10) Requested peak demand--The total non-coincident peak demand that a large load customer requests, prior to executing an interconnection agreement, that an interconnecting DSP or an interconnecting TSP serve at a site.

(d) Intermediate agreement. Before a large load interconnection request is submitted to ERCOT for study, the large load customer must execute an intermediate agreement with the interconnecting DSP and, if different from the interconnecting DSP, the interconnecting TSP. If the interconnecting DSP and the interconnecting TSP are different entities, the intermediate agreement must specifically identify each entity's responsibilities under this section, including which entity will accept the study fee and financial security from the large load customer. The intermediate agreement must meet the requirements of this subsection.

(1) Site control. A large load customer must demonstrate site control for the proposed load location through provision of one of the following property interests to the interconnecting DSP or the interconnecting TSP:

(A) a signed and executed lease agreement for one or more parcels of land sufficient to accommodate the customer's planned facilities at the proposed load location for a duration of at least five years from the date the large load customer is expected to reach the contracted peak demand;

(B) a deed for one or more parcels of land sufficient to accommodate the customer's planned facilities at the proposed load location; or

(C) a signed and executed agreement with an option to purchase or lease one or more parcels of land sufficient to accommodate the customer's planned facilities at the proposed location.

(2) Substantially similar interconnection request. A large load customer must disclose to the interconnecting DSP or the interconnecting TSP whether the customer is pursuing a substantially similar interconnection request for electric service, the approval of which would result in the customer materially changing, delaying, or withdrawing the interconnection request. A material change or delay includes a delay of one or more years to the project's projected date to realize its requested or contracted peak demand, a 20% or greater change in the requested or contracted peak demand, or a change in the location for the point of interconnection.

(A) A large load customer that is pursuing a substantially similar interconnection request for electric service the approval of which would result in the customer materially changing, delaying, or withdrawing the interconnection request must disclose the following information to the interconnecting DSP or the interconnecting TSP:

(i) the ERCOT-assigned serial number (i.e., the large load interconnection number) for the substantially similar interconnection request, as applicable;

(ii) the location, including the power region and, if in the ERCOT region, the load zone, of the substantially similar interconnection request;

(iii) the non-coincident peak demand of the substantially similar interconnection request;

(iv) the anticipated timing of energization of the substantially similar interconnection request; and

(v) the interconnecting DSP and, if different from the interconnecting DSP, the interconnecting TSP associated with the substantially similar interconnection request.

(B) A large load customer that discloses a substantially similar interconnection request under this subsection may anonymize competitively sensitive information in its disclosure to the interconnecting DSP or the interconnecting TSP.

(C) An interconnecting DSP and an interconnecting TSP must not sell, share, or disclose information submitted to the interconnecting DSP or the interconnecting TSP under this subsection other than a disclosure to the commission or ERCOT.

(D) ERCOT may request and the large load customer must provide any competitively sensitive information ERCOT deems necessary to complete any analysis required as part of the interconnection process. ERCOT must treat disclosed competitively sensitive information as Protected Information under ERCOT protocols.

(3) Site-related studies and engineering services. A large load customer must submit to the interconnecting DSP or the interconnecting TSP the large load customer's plans, expected timing, and progress for site-related studies and engineering services required for project development before energization (e.g., geotechnical survey, water, wastewater, or gas). The submission must be accompanied by an attestation by an officer or official with binding authority over the large load customer stating that the information contained in the submission is complete and accurate at the time the attestation is signed. A large load customer must provide updates or progress reports to the interconnecting DSP or the interconnecting TSP when requested, but no more frequently than quarterly.

(4) State and local regulatory approvals. A large load customer must submit to the interconnecting DSP or the interconnecting TSP the large load customer's plans, expected timing, and current progress for obtaining non-ministerial discretionary approvals from state and local regulatory authorities required for development before energization (e.g., water, air, or backup generation permits). The submission must be accompanied by an attestation by an officer or official with binding authority over the large load customer attesting that the information contained in the submission is complete and accurate at the time the attestation is signed. A large load customer must provide updates or progress reports to the interconnecting DSP or the interconnecting TSP when requested, but no more frequently than quarterly.

(5) Schedule for phased energization of contracted peak demand. A large load customer must disclose to the interconnecting DSP or the interconnecting TSP the expected schedule, including the quarter and year, for phased energization of the contracted peak demand expressed in MW, power factor (PF), and megavolt-ampere reactive (MVAr) units.

(6) Backup generating facilities. A large load customer must disclose to the interconnecting DSP or the interconnecting TSP whether the customer plans to have on-site backup generating facilities. If the large load customer plans to have on-site backup generating facilities, the large load customer must also disclose the following information:

(A) the number of backup generating units;

(B) the nameplate capacity of each of the backup generating facilities;

(C) the fuel source and operational characteristics of each of the backup generating facilities, including any run hour limitations and any fuel storage limitations under the existing environmental permits; and

(D) how quickly each of the backup generating facilities can reach their full capacity to serve the load.

(7) Power supply. A large load customer must disclose how it plans to procure power and whether the large load customer has on-site generation that will provide power exclusively to the large load customer.

(8) Controllable load. A large load customer must disclose whether it can be modeled as a controllable load resource, as the term is defined in ERCOT protocols, in ERCOT's study.

(9) Study fee. A large load customer must pay a study fee to the interconnecting DSP or the interconnecting TSP for the costs to conduct the interconnection study.

(A) A large load customer with requested peak demand that is equal to or greater than 75MW and less than 250MW must pay a study fee not less than $100,000 to the interconnecting DSP or the interconnecting TSP for transmission studies performed by the interconnecting DSP, the interconnecting TSP, and ERCOT, as applicable.

(B) A large load customer with requested peak demand that is equal to or greater than 250 MW must pay a study fee not less than $300,000 to the interconnecting DSP or the interconnecting TSP for transmission studies performed by the interconnecting DSP, the interconnecting TSP, and ERCOT, as applicable.

(C) Beginning in 2027, the commission will adjust the values under this subsection on January 1 every five years.

(i) The annual adjustment will be proportional to the third quarter percentage change in the national Consumer Price Index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics.

(ii) The executive director must designate a substitute index to be used as a reference for adjustments if the CPI becomes unavailable.

(D) If the interconnecting DSP, the interconnecting TSP, and ERCOT's combined costs to conduct the interconnection study exceeds the applicable study fee, the large load customer must pay the actual costs to conduct the interconnection study.

(E) The interconnecting DSP or the interconnecting TSP must remit payment to ERCOT, on behalf of the large load customer, for ERCOT's costs to conduct the interconnection study.

(10) Financial security on a dollar per MW basis. Financial security under this subsection is due at the time that the intermediate agreement is executed. A large load customer must post financial security with the interconnecting DSP or the interconnecting TSP in the amount of $50,000 per MW of the requested peak demand for new interconnection requests or of the incremental increase in the peak demand for expanded interconnection requests.

(A) Beginning in 2027, the commission will adjust the $50,000 value on January 1 every five years.

(i) The annual adjustment will be proportional to the third quarter percentage change in the national Consumer Price Index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics.

(ii) The executive director must designate a substitute index to be used as a reference for adjustments if the CPI becomes unavailable.

(B) The interconnecting DSP or the interconnecting TSP may accept the following forms of financial security:

(i) cash collateral;

(ii) corporate or parental guaranty, only if the corporation or parent corporation has a credit rating equivalent of BBB-/Baa3 or higher from Standard & Poor's or Moody's; or

(iii) a letter of credit issued by a major U.S. commercial bank, or a U.S. branch office of a major foreign commercial bank, with a credit rating of at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service.

(C) If the large load customer provides a corporate or parental guaranty under this subsection, the interconnecting DSP or the interconnecting TSP may require the submission of financial records or statements to determine the customer's financial stability.

(D) Refund of financial security posted on a dollar per MW basis is subject to subsection (g) of this section.

(11) Financial security for significant equipment or services. An interconnecting DSP and an interconnecting TSP must not procure equipment or services before a large load customer posts financial security to the interconnecting DSP or the interconnecting TSP in an amount equal to the interconnecting DSP and interconnecting TSP's estimated costs for equipment with a lead time of at least six months and services necessary to interconnect the large load customer.

(A) A large load customer may elect to amend its intermediate agreement with the interconnecting DSP and the interconnecting TSP to post financial security for significant equipment or services prior to executing an interconnection agreement.

(B) An interconnecting DSP or an interconnecting TSP must apply any unused study fee that the large load customer paid under an intermediate agreement to satisfy the financial security for significant equipment or services under this subsection.

(C) The interconnecting DSP or the interconnecting TSP may accept the following forms of financial security for significant equipment or services:

(i) cash collateral;

(ii) corporate or parental guaranty, only if the corporation or parent corporation has a credit rating equivalent of BBB-/Baa3 or higher from Standard & Poor's or Moody's; or

(iii) a letter of credit issued by a major U.S. commercial bank, or a U.S. branch office of a major foreign commercial bank, with a credit rating of at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service.

(D) If the large load customer provides a corporate or parental guaranty under this subsection, the interconnecting DSP or the interconnecting TSP may require the submission of financial records or statements to determine the customer's financial stability.

(E) Refund of financial security posted for significant equipment or services is subject to subsections (g) through (i) of this section.

(e) Interconnection study. Not later than 60 days after an intermediate agreement is executed under subsection (d) of this section, the interconnecting DSP or the interconnecting TSP must coordinate with ERCOT to initiate an interconnection study.

(1) The interconnecting DSP or the interconnecting TSP must notify the large load customer when the interconnecting DSP or the interconnecting TSP coordinates with ERCOT to initiate a interconnection study.

(2) The interconnecting DSP or the interconnecting TSP must notify the large load customer when the interconnection study commences and concludes.

(3) The interconnecting DSP or the interconnecting TSP must provide a large load customer timely information related to communications that the interconnecting DSP or the interconnecting TSP receives from ERCOT about the large load customer's interconnection request.

(4) A large load customer that requests additional capacity following the initiation of the interconnection study must submit a new interconnection request to the interconnecting DSP or the interconnecting TSP.

(f) Interconnection agreement. Not later than 30 days after completion of the interconnection study for a large load customer, the large load customer must execute an interconnection agreement with the interconnecting DSP and, if different from the interconnecting DSP, the interconnecting TSP. If the interconnecting DSP and the interconnecting TSP are different entities, the interconnection agreement must specifically identify each entity's responsibilities under this section, including which entity will accept financial security and CIAC from the large load customer. The interconnection agreement must meet the requirements of this subsection. The interconnecting DSP or the interconnecting TSP must cancel the interconnection request and notify ERCOT of the cancellation if the large load customer fails to execute an interconnection agreement under this subsection within 30 days of receipt of the interconnecting DSP or the interconnecting TSP's notice to the large load customer that all necessary transmission studies as defined in ERCOT protocols to interconnect the large load customer have been completed.

(1) Site control. A large load customer must demonstrate site control for the load location through provision of one of the following property interests to the interconnecting DSP or the interconnecting TSP:

(A) a signed and executed lease agreement for one or more parcels of land sufficient to accommodate the customer's planned facility at the proposed load location for a duration of at least five years from the date that the large load customer is expected to reach the contracted peak demand;

(B) a deed for one or more parcels of land sufficient to accommodate the customer's planned facility at the proposed load location; or

(C) a signed and executed purchase and sales agreement.

(2) Substantially similar request. A large load customer must disclose to the interconnecting DSP or the interconnecting TSP whether the customer is pursuing a substantially similar interconnection request for electric service, the approval of which would result in the customer materially changing, delaying, or withdrawing the interconnection request. A material change or delay includes a delay of one or more years to the project's projected date to realize its requested or contracted peak demand, a 20% or greater change in the requested or contracted peak demand, or a change in the location for the point of interconnection.

(A) A large load customer that is pursuing a substantially similar interconnection request for electric service, the approval of which would result in the customer materially changing, delaying, or withdrawing the interconnection request must disclose the following information to the interconnecting DSP or the interconnecting TSP:

(i) the ERCOT-assigned serial number (i.e., the large load interconnection number) for the substantially similar interconnection request, as applicable;

(ii) the location, including the power region and if in the ERCOT region the load zone, of the substantially similar interconnection request;

(iii) the non-coincident peak demand of the substantially similar interconnection request;

(iv) the anticipated timing of energization of the substantially similar interconnection request; and

(v) the interconnecting DSP and, if different from the interconnecting DSP, the interconnecting TSP associated with the substantially similar interconnection request.

(B) A large load customer that discloses a substantially similar interconnection request under this subsection may anonymize the competitively sensitive information in its disclosure to the interconnecting DSP or the interconnecting TSP.

(C) An interconnecting DSP and an interconnecting TSP must not sell, share, or disclose information submitted to the interconnecting DSP or the interconnecting TSP under this subsection other than a disclosure to the commission or ERCOT.

(D) ERCOT may request and the large load customer must provide any competitively sensitive information ERCOT deems necessary to complete any analysis required as part of the interconnection process. ERCOT must treat disclosed competitively sensitive information as Protected Information under ERCOT protocols.

(3) Site-related studies and engineering services. A large load customer must submit to the interconnecting DSP or the interconnecting TSP the large load customer's plans, expected timing, and progress for site-related studies and engineering services required for project development before energization (e.g., geotechnical survey, water, wastewater, or gas). The submission must be accompanied by an attestation by an officer or official with binding authority over the large load customer attesting that the information contained in the submission is complete and accurate at the time the attestation is signed. A large load customer must provide updates or progress reports to the interconnecting DSP or the interconnecting TSP when requested, but no more frequently than quarterly.

(4) State and local regulatory approvals. A large load customer must submit to the interconnecting DSP or the interconnecting TSP the large load customer's plans, expected timing, and current progress for obtaining non-ministerial discretionary approvals from state and local regulatory authorities required for development before energization (e.g., water, air, or backup generation permits). The submission must be accompanied by an attestation by an officer or official with binding authority over the large load customer attesting that the information contained in the submission is complete and accurate at the time the attestation is signed. A large load customer must provide updates or progress reports to the interconnecting DSP or the interconnecting TSP when requested, but no more frequently than quarterly.

(5) Schedule for phased energization of contracted peak demand. A large load customer must disclose to the interconnecting DSP or the interconnecting TSP the expected schedule, including the month and year, for phased energization of the contracted peak demand expressed in MW, PF, and MVAr units.

(6) Backup generating facilities. A large load customer must disclose to the interconnecting DSP or the interconnecting TSP whether the customer plans to have on-site backup generating facilities. If the large load customer plans to have on-site backup generating facilities, the large load customer must also disclose the following information:

(A) the number of backup generating facilities;

(B) the nameplate capacity of each of the backup generating facilities;

(C) the fuel source and operational characteristics of each of the backup generating facilities, including any run hour limitations under the existing environmental permits; and

(D) how quickly each of the backup generating facilities can reach their full capacity to serve the load.

(7) Non-refundable interconnection fee. A large load customer must pay an interconnection fee in the amount of $50,000 per MW of contracted peak demand. An interconnection fee under this subsection is non-refundable.

(A) An interconnecting DSP or an interconnecting TSP must draw on any unused financial security that the large load customer posted under an intermediate agreement to satisfy the interconnection fee under this subsection.

(B) An interconnection fee under this subsection must be paid to the interconnecting TSP and applied by that TSP as an offset to the interconnecting TSP's rate base in the earlier of the interconnecting TSP's next interim rate proceeding or comprehensive rate proceeding.

(8) Financial security for significant equipment or services. A large load customer must post financial security for significant equipment or services not later than the date that the interconnection agreement is executed if the interconnecting DSP or the interconnecting TSP needs to procure significant equipment or services to interconnect the large load customer. An interconnecting DSP and an interconnecting TSP must not procure equipment or services before a large load customer posts financial security to the interconnecting DSP or the interconnecting TSP in an amount equal to the interconnecting DSP and interconnecting TSP's estimated costs for equipment with a lead time of at least six months and services necessary to interconnect the large load customer.

(A) An interconnecting DSP or an interconnecting TSP must apply any unused study fee that the large load customer paid under an intermediate agreement to satisfy the financial security for significant equipment or services under this subsection.

(B) After drawing down on financial security posted under an intermediate agreement for payment of the interconnection fee, an interconnecting DSP or an interconnecting TSP must apply the balance of any unused financial security that the large load customer posted under an intermediate agreement to satisfy the financial security for significant equipment or services under this subsection.

(C) The interconnecting DSP or the interconnecting TSP may accept the following forms of financial security for significant equipment or services:

(i) cash collateral;

(ii) corporate or parental guaranty, only if the corporation or parent corporation has a credit rating equivalent of BBB-/Baa3 or higher from Standard & Poor's or Moody's; or

(iii) a letter of credit issued by a major U.S. commercial bank, or a U.S. branch office of a major foreign commercial bank, with a credit rating of at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service.

(D) If the large load customer provides a corporate or parental guaranty under this subsection, the interconnecting DSP or the

interconnecting TSP may require the submission of financial records or statements to determine the customer's financial stability.

(E) Refund of financial security posted for significant equipment or services is subject to subsections (g) through (i) of this section.

(9) Contribution in aid of construction (CIAC). A large load customer must pay all direct interconnection costs through CIAC, with no standard or other allowance offered to offset the customer's CIAC payments. A large load customer must pay CIAC not later than the date that the interconnection agreement is executed. An interconnecting DSP and interconnecting TSP must not begin construction of facilities to interconnect a large load customer before a large load customer pays CIAC in an amount that is equal to the direct interconnection costs associated with the large load customer.

(A) Direct interconnection costs include all costs associated with facilities built to interconnect the large load customer to the existing ERCOT system, including radial lines and substation upgrades necessary to interconnect the new large load customer. CIAC must be paid in the form of a direct cash payment.

(B) An interconnecting DSP and an interconnecting TSP must not seek to recover any large load-related direct interconnection costs, including any interconnection allowance for large load customers, under any rates regulated by the commission.

(C) The CIAC must be trued-up to reflect the actual costs once the facilities are completed, and a customer may receive a credit or surcharge on their bill, as applicable, for the difference in actual costs relative to the estimate.

(10) Financial security for system upgrades. A large load customer must post financial security for system upgrades that are necessary to reliably serve the large load customer not later than the date that the interconnection agreement is executed.

(A) The interconnecting DSP or the interconnecting TSP may accept the following forms of financial security for system upgrades:

(i) cash collateral;

(ii) corporate or parental guaranty, only if the corporation or parent corporation has a credit rating equivalent of BBB-/Baa3 or higher from Standard & Poor's or Moody's; or

(iii) a letter of credit issued by a major U.S. commercial bank, or a U.S. branch office of a major foreign commercial bank, with a credit rating of at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service.

(B) If the large load customer provides a corporate or parental guaranty under this subsection, the interconnecting DSP or the interconnecting TSP may require the submission of financial records or statements to determine the customer's financial stability.

(C) Refund of financial security posted for system upgrades is subject to subsections (g) through (i) of this section.

(g) Withdrawal of all or a portion of requested peak demand or contracted peak demand. A large load customer may withdraw all or a portion of its requested peak demand or contracted peak demand for interconnection by submitting its request in writing to the interconnecting DSP or the interconnecting TSP.

(1) Not later than 14 days after receipt of a large load customer's notice to withdraw all or a portion of requested peak demand or contracted peak demand for interconnection, the interconnecting DSP or the interconnecting TSP must notify ERCOT via a method prescribed by ERCOT.

(2) The interconnecting DSP or the interconnecting TSP must draw down on the large load customer's financial security and apply the financial security to any outstanding amounts owed. Outstanding amounts owed include the following:

(A) costs incurred by the interconnecting DSP or the interconnecting TSP to fulfill the large load customer's request for interconnection;

(B) costs for equipment that the interconnecting DSP or the interconnecting TSP procured and that cannot be canceled with a full refund;

(C) costs for construction that the interconnecting DSP or the interconnecting TSP started and that cannot be canceled with a full refund; and

(D) costs for services that the interconnecting DSP or the interconnecting TSP initiated and that cannot be canceled with a full refund.

(3) After applying the large load customer's financial security to any outstanding amounts owed, the interconnecting DSP or the interconnecting TSP must refund 20% of the balance to the large load customer within 60 days.

(4) After applying the financial security to any outstanding amounts owed and refunding 20% of the balance, the remaining 80% of the balance must be paid to the interconnecting TSP and applied by that TSP as an offset to the interconnecting TSP's rate base in the earlier of the interconnecting TSP's next interim rate proceeding or comprehensive rate proceeding.

(5) CIAC is not refundable.

(6) ERCOT must reallocate contracted peak demand that is withdrawn by a large load customer.

(h) Non-utilized capacity.

(1) Not later than 30 days after a large load customer fails, by 6 months, to satisfy a milestone in its schedule for phased energization, the interconnecting DSP or the interconnecting TSP must notify ERCOT of the large load customer's non-utilized capacity.

(2) Within 60 days of providing notice to ERCOT under this subsection, the interconnecting DSP or the interconnecting TSP must draw down on the large load customer's financial security and apply the financial security to any outstanding amounts owed. Outstanding amounts owed include the following:

(A) costs incurred by the interconnecting DSP or the interconnecting TSP to fulfill the large load customer's request for interconnection;

(B) costs for equipment that the interconnecting DSP or the interconnecting TSP procured and that cannot be canceled with a full refund;

(C) costs for construction that the interconnecting DSP or the interconnecting TSP started and that cannot be canceled with a full refund; and

(D) costs for services that the interconnecting DSP or the interconnecting TSP initiated and that cannot be canceled with a full refund.

(3) Within 60 days of providing notice to ERCOT under this subsection and after applying the large load customer's financial security to any outstanding amounts owed, the interconnecting DSP or

the interconnecting TSP must refund 20% of the balance to the large load customer.

(4) After applying the financial security to any outstanding amounts owed and refunding 20% of the balance, the remaining 80% of the balance must be paid to the interconnecting TSP and applied by that TSP as an offset to the interconnecting TSP's rate base in the earlier of the interconnecting TSP's next interim rate proceeding or comprehensive rate proceeding.

(5) CIAC is not refundable.

(6) ERCOT must reallocate non-utilized capacity.

(i) Terms for refund of financial security for a large load customer that energizes. An interconnecting DSP or an interconnecting TSP must draw down on the large load customer's financial security and apply the financial security to any outstanding amounts owed for costs incurred by the interconnecting DSP or the interconnecting TSP to fulfill the large load customer's request for interconnection of the contracted peak demand.

(1) After applying financial security to any outstanding amounts owed, the interconnecting DSP or the interconnecting TSP must refund 20% of the remaining balance when the large load customer energizes and ratably as the large load customer meets the milestones identified in the customer's schedule for phased energization of its contracted peak demand.

(2) The interconnecting DSP or the interconnecting TSP must refund any remaining balance when the large load customer sustains operations for five years at the customer's contracted peak demand.

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 March 12, 2026.

TRD-202601174
Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 936-7044

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TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 61. SCHOOL DISTRICTS
SUBCHAPTER CC. COMMISSIONER'S RULES CONCERNING SCHOOL FACILITIES

19 TAC §61.1031

The Texas Education Agency (TEA) proposes the repeal of §61.1031, concerning school safety requirements. The proposed repeal would relocate the requirements to proposed new 19 TAC §103.1215. The proposed repeal would relocate the requirements to proposed new 19 TAC §103.1215. The proposed new rule would include updates to implement House Bill (HB) 3 and Senate Bill (SB) 838, 88th Texas Legislature, Regular Session, 2023, and HB 33 and HB 121, 89th Texas Legislature, Regular Session, 2025, and clarify requirements for school safety.

BACKGROUND INFORMATION AND JUSTIFICATION: Section 61.1031 prescribes minimum school safety standards to address the safety of students and staff in Texas public schools. The proposed repeal of §61.1031 would move the requirements to proposed new §103.1215. The relocation is necessary due to a comprehensive reorganization of 19 TAC Chapter 61.

Proposed new §103.1215 would be updated to modify the definition for "exterior secured area"; clarify the applicability of the safety standards; address security reviews required under Texas Education Code, §37.1087; update alert requirements; and require door numbering site plans to be provided to emergency service districts.

FISCAL IMPACT: James Finley, deputy chief of school safety and security, has determined that for the first five years the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal

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

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

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

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

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would repeal an existing regulation to relocate the requirements.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not create a new regulation; would not expand or limit an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Mr. Finley has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to allow for TEA rules to be reorganized. There is no anticipated economic cost to persons who are required to comply with the proposal.

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

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

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins March 27, 2026, and ends April 27, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on March 27, 2026. A form for submitting public comments is available on the TEA website at https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/.

STATUTORY AUTHORITY. The repeal is proposed under Texas Education Code (TEC), §7.061, which requires the commissioner of education to adopt and amend rules to ensure a safe and secure environment for public schools, which includes best practices for design and construction of new facilities and improving, renovating, and retrofitting existing facilities. The section requires the commissioner to review all rules by September 1 of each even-numbered year and take action as necessary to ensure school facilities for school districts and open-enrollment charter schools continue to provide a safe and secure environment; TEC, §37.1083, which establishes the Office of School Safety and Security within the Texas Education Agency (TEA) and charges TEA with monitoring the implementation and operation requirements of school district safety and security. Monitoring efforts must include technical assistance related to multihazard emergency operations plans and safety and security audits. Further, the statute establishes that any document or information collected, identified, developed, or produced related to the monitoring of district safety and security is confidential under Texas Government Code, §418.177 and §418.181, making them not subject to disclosure under Texas Government Code, Chapter 552. Subsection (k) allows the commissioner to adopt rules as necessary to implement the section; TEC, §37.115(b), which allows TEA, in coordination with the Texas School Safety Center, to adopt rules to establish a safe and supportive school program, including providing for physical and psychological safety; TEC, §37.117, which requires that each school district or open-enrollment charter school have silent alert panic technology allowing for immediate contact with district or school emergency services and emergency services agencies, law enforcement agencies, health departments, and fire departments. The statute also requires that each school district and open-enrollment charter school provide the Department of Public Safety, local law enforcement, and emergency first responders an accurate map of each district campus and school campus, in accordance with standards outlined in TEC, §37.351. Additionally, school systems must provide these emergency services personnel an opportunity to conduct a walk-through of each campus and school building using the map provided; TEC, §37.351, which requires school districts to comply with each school facilities standard, including performance standards and operational requirements, related to safety and security adopted under TEC, §7.061, or provided by other law or TEA rule. Additionally, school districts must develop and maintain documentation of the district's implementation of and compliance with school safety and security facilities standards for each district facility; and TEC, §37.355, which outlines that any document or information collected, identified, developed, or produced relating to a safety or security requirement under TEC, Chapter 37, Subchapter J, is confidential under Texas Government Code, §418.177 and §418.181, and not subject to disclosure under Texas Government Code, Chapter 552.

CROSS REFERENCE TO STATUTE. The repeal implements Texas Education Code, §§7.061, 37.1083, 37.115(b), 37.117, 37.351, and 37.355.

§61.1031. School Safety Requirements.

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 March 16, 2026.

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 475-1497

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CHAPTER 103. HEALTH AND SAFETY
SUBCHAPTER CC. COMMISSIONERS RULES CONCERNING SAFE SCHOOLS

19 TAC §103.1215

The Texas Education Agency (TEA) proposes new §103.1215, concerning school safety requirements. The new section would include updates to implement House Bill (HB) 3 and Senate Bill (SB) 838, 88th Texas Legislature, Regular Session, 2023, and HB 33 and HB 121, 89th Texas Legislature, Regular Session, 2025, and clarify requirements for school safety to ensure a safe and secure environment in Texas public schools.

BACKGROUND INFORMATION AND JUSTIFICATION: Proposed new §103.1215 would move existing language from 19 TAC §61.1031, which prescribes minimum school safety standards to address the safety of students and staff in Texas public schools. The new rule includes proposed changes to existing §61.1031.

Legislation from the 88th Texas Legislature, Regular Session, 2023, added and amended school safety requirements in Texas Education Code (TEC), §§7.061, 37.1083, 37.117, 37.351, and 37.355. Legislation from the 89th Texas Legislature, Regular Session, 2025, added TEC, §37.1087, to existing school safety requirements. Proposed new §103.1215 would implement legislation and clarify school safety requirements, as follows.

Proposed new subsection (a) would establish definitions for the proposed rule. The definition for "exterior secured area" would include new language specifying that a perimeter fence does not constitute an exterior secured area.

Proposed new subsection (b) would make the rule applicable to all school instructional facilities owned, operated, or leased by a school system, regardless of the date of construction or date of lease. No changes to the existing requirements are proposed.

Proposed new subsection (c) would require school systems to implement safety and security standards compliance requirements in all instructional facilities owned, operated, or leased by the school system. New language would be added to specify that the standards apply to facilities that are newly constructed, acquired, or substantially renovated. Language would also be added to state that security reviews required under TEC, §37.1087, should be conducted as soon as practicable after a facility is constructed, acquired, or renovated and must occur before students occupy the building. In addition, alert requirements would be modified in subsection (c)(10)(B)(iv). Finally, a new requirement would be added that beginning August 1, 2026, school systems must certify in Sentinel that security reviews have been conducted.

Proposed new subsection (d) would outline operating requirements for school systems and would include new language requiring electronic copies of exterior and interior door numbering site plans to be provided to emergency service districts.

Proposed new subsection (e) would outline that, to the extent this section conflicts with rules adopted in 19 TAC Chapter 61, School Districts, Subchapter CC, Commissioner's Rules Concerning School Facilities, including terms defined by this section or standards established by this section, the provisions of this section prevail. No changes to the existing requirements are proposed.

Proposed new subsection (f) would require school systems to comply with the standards adopted under Texas Government Code, §469.052. No changes to the existing requirements are proposed.

Proposed new subsection (g) would require school systems to adopt a 3-year records control schedule that complies with the minimum requirements established by the Texas State Library and Archives Commission schedule, record series item number 5.4.017. No changes to the existing requirements are proposed.

Proposed new subsection (h) would outline that any document or information collected, identified, developed, or produced relating to the monitoring of school district safety and security requirements is confidential under Texas Government Code, §418.177 and §418.181, and is not subject to disclosure under Texas Government Code, Chapter 552. No changes to the existing requirements are proposed.

Proposed new subsection (i) would require school systems to annually certify compliance with subsections (c) and (d) of this section as part of ongoing security audits under TEC, §37.108(b), to maintain the certification locally, and to provide documentation upon request by TEA. No changes to the existing requirements are proposed.

FISCAL IMPACT: James Finley, deputy chief of school safety and security, has determined that for the first five years the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal. Existing 19 TAC §61.1031 is being repealed and relocated to §103.1215 with modifications from the current rule. There is no additional cost anticipated for the modifications being proposed. Requirements from the 88th Texas Legislature, Regular Session, 2023, remain, with grant funding having been available to ensure compliance with existing requirements. Additionally, HB 2, 89th Texas Legislature, Regular Session, 2025, increased school safety allotment funding by at or around $500 million.

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

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The requirements of this proposal would impose costs on school districts and open-enrollment charter schools. However, the rule is not subject to the limitations of Texas Government Code, §2001.0045. The school safety requirements are necessary to protect the safety and welfare of residents of this state. Additionally, TEC, §7.061, explicitly requires the commissioner to review at least every two years the rules for a safe and secure environment and update those rules when necessary. Consequently, any costs imposed by the update of the rules are necessary to implement the legislation passed by the legislature. Additionally, grants provided to school districts help defray or completely offset the estimated costs. Safety and Facilities Enhancement (SAFE) Grants total $1.1 billion and School Safety Standards Formula Grants total $400 million. In accordance with HB 2, 89th Texas Legislature, Regular Session, 2025, approximately $500 million was added to the school safety allotment (TEC, §48.160).

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

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation to relocate existing requirements. The proposed new rule would detail the school safety requirements outlined in TEC, §§7.061, 37.1083, 37.1087, 37.117, 37.118, 37.351, 37.355.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Mr. Finley has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to ensure that school districts and open-enrollment charter schools implement minimum school safety standards to address the safety of students and staff in Texas public schools. There is no anticipated economic cost to persons who are required to comply with the proposal.

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

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

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins March 27, 2026, and ends April 27, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on March 27, 2026. A form for submitting public comments is available on the TEA website at https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/.

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code (TEC), §7.061, as amended by House Bill (HB) 3, 88th Texas Legislature, Regular Session, 2023, which requires the commissioner of education to adopt and amend rules to ensure a safe and secure environment for public schools, which includes best practices for design and construction of new facilities and improving, renovating, and retrofitting existing facilities. The section requires the commissioner to review all rules by September 1 of each even-numbered year and take action as necessary to ensure school facilities for school districts and open-enrollment charter schools continue to provide a safe and secure environment; TEC, §37.1083, as added by HB 3, 88th Texas Legislature, Regular Session, 2023, and amended by HB 121, 89th Texas Legislature, Regular Session, 2025, which establishes the Office of School Safety and Security within the Texas Education Agency (TEA) and charges TEA with monitoring the implementation and operation requirements of school district safety and security. Monitoring efforts must include technical assistance related to multihazard emergency operations plans, safety and security audits, and security reviews. Further, the statute establishes that any document or information collected, identified, developed, or produced related to the monitoring of district safety and security is confidential under Texas Government Code, §418.177 and §418.181, making them not subject to disclosure under Texas Government Code, Chapter 552. Subsection (k) allows the commissioner to adopt rules as necessary to implement the section; TEC, §37.1087, as added by HB 33, 89th Texas Legislature, Regular Session, 2025, which requires a school district that constructs, acquires, renovates, or improves a district facility to conduct a security review to determine whether the facility meets school safety and security requirements; TEC, §37.115(b), which allows TEA, in coordination with the Texas School Safety Center, to adopt rules to establish a safe and supportive school program, including providing for physical and psychological safety; TEC, §37.117, as added by Senate Bill (SB) 838 and HB 3, 88th Texas Legislature, Regular Session, 2023, which requires that each school district and open-enrollment charter school provide the Department of Public Safety, local law enforcement, emergency service districts, and emergency first responders an accurate map of each district campus and school campus, in accordance with standards outlined in TEC, §37.351. Additionally, school systems must provide these emergency services personnel an opportunity to conduct a walk-through of each campus and school building using the map provided; TEC, §37.118, as added by SB 838 and HB 3, 88th Texas Legislature, Regular Session, 2023, which requires that each school district or open-enrollment charter school have silent alert panic technology allowing for immediate contact with district or school emergency services and emergency services agencies, law enforcement agencies, health departments, and fire departments; TEC, §37.351, as added by HB 3, 88th Texas Legislature, Regular Session, 2023, which requires school districts to comply with each school facilities standard, including performance standards and operational requirements, related to safety and security adopted under TEC, §7.061, or provided by other law or TEA rule. Additionally, school districts must develop and maintain documentation of the district's implementation of and compliance with school safety and security facilities standards for each district facility; and TEC, §37.355, as added by HB 3, 88th Texas Legislature, Regular Session, 2023, which outlines that any document or information collected, identified, developed, or produced relating to a safety or security requirement under TEC, Chapter 37, Subchapter J, is confidential under Texas Government Code, §418.177 and §418.181, and not subject to disclosure under Texas Government Code, Chapter 552.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §7.061, as amended by House Bill (HB) 3, 88th Texas Legislature, Regular Session, 2023; §37.1083, as added by HB 3, 88th Texas Legislature, Regular Session, 2023, and amended by HB 121, 89th Texas Legislature, Regular Session, 2025; §37.1087, as added by HB 33, 89th Texas Legislature, Regular Session, 2025; §37.115(b); §37.117, as added by Senate Bill (SB) 838 and HB 3, 88th Texas Legislature, Regular Session, 2023; §37.118, as added by SB 838 and HB 3, 88th Texas Legislature, Regular Session, 2023; and §37.351 and §37.355, as added by HB 3, 88th Texas Legislature, Regular Session, 2023.

§103.1215. School Safety Requirements.

(a) Definitions. The following words and terms, when used in this section, shall have the following meanings.

(1) Actively monitored--supervised by an adult who can visibly review visitors prior to entrance, who can take immediate action to close and/or lock the door, and whose duties allow for sufficient attention to monitoring.

(2) Exterior secured area--

(A) This term describes an area fully enclosed by a fence and/or wall that:

(i) is utilized when keeping doors closed, locked, and latched is not operationally possible;

(ii) if enclosed by a fence or wall, utilizes a fence or wall at least 6 feet high with design features that prevent it from being easily scalable, such as stone, wrought iron, chain link with slats or wind screen, or chain link topped with an anti-scaling device, or utilizes a fence or wall at least 8 feet high;

(iii) is well maintained; and

(iv) if gated, features locked gates with emergency egress hardware and has features to prevent opening from the exterior without a key or combination mechanism.

(B) A perimeter fence does not constitute an exterior secured area.

(3) Instructional facility--this term has the meaning assigned in Texas Education Code (TEC), §46.001, and includes any real property, an improvement to real property, or a necessary fixture of an improvement to real property that is used predominantly for teaching curriculum under TEC, §28.002. For purposes of this section, an instructional facility does not include real property, improvements to real property, or necessary fixtures of an improvement to real

property that are part of a federal, state, or private correctional facility or facility of an institution of higher education, medical provider, or other provider of professional or social services over which a school system has no control.

(4) Modular, portable building--

(A) an industrialized building as defined by Texas Occupations Code (TOC), §1202.002 and §1202.003;

(B) any relocatable educational facility as defined by TOC, §1202.004, regardless of the location of construction of the facility; or

(C) any other manufactured or site-built building that is capable of being relocated and is used as a school facility.

(5) Primary entrance--

(A) the main entrance to an instructional facility that is closest to or directly connected to the reception area; or

(B) any exterior door the school system intends to allow visitors to use to enter the facility during school hours either through policy or practice.

(6) School system--a public independent school district or public open-enrollment charter school.

(7) Secure vestibule--a secured space with two or more sets of doors and an office sign-in area where all but the exterior doors shall:

(A) remain closed, latched, and locked;

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

(C) only unlock once the visitor has been visually verified.

(b) The provisions of this section apply to all school instructional facilities owned, operated, or leased by a school system, regardless of the date of construction or date of lease. The provisions of this section ensure that all school system instructional facilities have access points that are:

(1) secured by design;

(2) maintained to operate as intended; and

(3) appropriately monitored.

(c) A school system shall implement the following safety and security standards compliance requirements to all instructional facilities owned, operated, or leased by the school system, to include facilities newly constructed, acquired, or substantially renovated. In implementing the requirements of this section, school systems shall comply with the provisions of §61.1040(j) of this title (relating to School Facilities Standards for Construction on or after November 1, 2021) and the security review requirements outlined in TEC, §37.1087. Security reviews should be conducted as soon as practicable after a facility is constructed, acquired, or renovated and must occur before students occupy the building. Beginning August 1, 2026, school systems must certify in Sentinel that security reviews have been conducted, in accordance with §103.1213 of this title (relating to Required Reporting through Sentinel).

(1) All instructional facilities, including modular, portable buildings, must include the addition of graphically represented alphanumerical characters on both the interior and exterior of each exterior door location. The characters may be installed on the door, or on at least one door at locations where more than one door leads from the exterior to the same room inside the facility, or on the wall immediately adjacent to or above the door location. Characters shall comply with the International Fire Code, §505, which requires numbers to be a minimum of four inches in height. The primary entrance of an instructional facility shall always be the first in the entire sequence and is the only door location that does not require numbering. The numbering sequence shall be clockwise and may be sequenced for the entire campus or for each facility individually. The door-numbering process must comply with all accessibility requirements related to signage.

(2) Unless a secure vestibule is present, a primary entrance shall:

(A) meet all standards for exterior doors;

(B) include a means to allow an individual located within the building to visually identify an individual seeking to enter the primary entrance when the entrance is closed and locked, including, but not limited to, windows, camera systems, and/or intercoms;

(C) feature a physical barrier that prevents unassisted access to the facility by a visitor; and

(D) feature a location for a visitor check-in and check-out process.

(3) All exterior doors shall:

(A) be set to a closed, latched, and locked status, except that:

(i) a door may be unlocked if it is actively monitored or within an exterior secured area; and

(ii) for the purposes of ventilation, a school system may designate in writing as part of its multi-hazard emergency operations plan under TEC, §37.108, specific exterior doors that are allowed to remain open for specified periods of time if explicitly authorized by the school safety and security committee established by TEC, §37.109, when a quorum of members are present, and only if it is actively monitored or within an exterior secured area;

(B) be constructed, both for the door and door frame and their components, of materials and in a manner that make them resistant to entry by intruders. Unless inside an exterior secured area, doors constructed of glass or containing glass shall be constructed or modified such that the glass cannot be easily broken and allow an intruder to open or otherwise enter through the door (for example, using forced entry-resistant film);

(C) include:

(i) a mechanism that fully closes and engages locking hardware automatically after entry or egress without manual intervention, regardless of air pressure within or outside of the facility; and

(ii) a mechanism that allows the door to be opened from the inside when locked to allow for emergency egress while remaining locked; and

(D) if keyed for re-entry, be capable of being unlocked with a single (or a small set of) master key(s), whether physical key, punch code, or key-fob or similar electronic device.

(4) Except when inside an exterior secured area, classrooms with exterior entry doors shall include a means to allow an individual located in the classroom to visually identify an individual seeking to enter the classroom when the door is closed and locked, including, but not limited to, windows, camera systems, and/or intercoms.

(5) Except when inside an exterior secured area, all windows that are adjacent to an exterior door and that are of a size and

position that, if broken, would easily permit an individual to reach in and open the door from the inside shall be constructed or modified such that the glass cannot be easily broken.

(6) Except when inside an exterior secured area, all ground-level windows near exterior doors that are of a size and position that permits entry from the exterior if broken shall be constructed or modified such that the glass cannot be easily broken and allow an intruder to enter through the window frame (for example, using forced entry-resistant film).

(7) If designed to be opened, all ground-level windows shall have functional locking mechanisms that allow for the windows to be locked from the inside and, if large enough for an individual to enter when opened or if adjacent to a door, be closed and locked when staff are not present.

(8) Roof access doors shall remain closed, latched, and locked when not actively in use.

(9) All facilities must:

(A) include one or more distinctive, exterior secure master key box(es) designed to permit emergency access to both law enforcement agencies and emergency responder agencies from the exterior (for example, a Knox box) at a location designated by the local authorities with applicable jurisdiction; or

(B) provide all local law enforcement electronic or physical master key access to the building(s).

(10) A communications infrastructure shall be implemented that must:

(A) ensure equipment is in place such that law enforcement and emergency responder two-way radios can function within most portions of the building(s); and

(B) include a panic alert button, duress, or equivalent alarm system, via standalone hardware, software, or integrated into other telecommunications devices or online applications, that includes the following functionality.

(i) An alert must be capable of being triggered by campus staff, including temporary or substitute staff, from an integrated or enabled device.

(ii) An alert must be triggered automatically in the event a district employee makes a 9-1-1 call using the hardware or integrated telecommunications devices described in this subparagraph from any location within the school system.

(iii) With any alert generated, the location of where the alert originated shall be included.

(iv) The alert must allow for immediate contact with the 9-1-1 dispatch center, district or school emergency services, law enforcement agencies, health departments, and fire departments. Alerts must notify designated administrators and simultaneously notify affected staff of the emergency.

(v) For any exterior doors that feature electronic locking mechanisms that allow for remote locking, the alert system will trigger those doors to automatically lock.

(11) School systems shall ensure compliance with state and federal Kari's Laws and federal RAY BAUM's Act and corresponding rules and regulations pertaining to 9-1-1 service for school telephone systems, including a multi-line telephone system.

(d) Certain operating requirements. A school system shall implement the following.

(1) Access control. The board of trustees or the governing board shall adopt a policy requiring the following continued auditing of building access:

(A) conduct at least weekly inspections during school hours of all exterior doors of all instructional facilities to certify that all doors are set to a closed, latched, and locked status and cannot be opened from the outside without a key as required in subsection (c)(3)(A) of this section;

(B) report the findings of weekly inspections required by subparagraph (A) of this paragraph to the school system's safety and security committee as required by TEC, §37.109, and ensure the results are kept for review as part of the safety and security audit as required by TEC, §37.108;

(C) report the findings of weekly inspections required by subparagraph (A) of this paragraph to the principal or leader of the instructional facility to ensure awareness of any deficiencies identified and who must take action to reduce the likelihood of similar deficiencies in the future; and

(D) include a provision in the school system's applicable policy stating that nothing in a school system's access control procedures will be interpreted as discouraging parents, once properly verified as authorized campus visitors, from visiting campuses they are authorized to visit.

(2) Exterior and interior door numbering site plan.

(A) A school system must develop and maintain an accurate site layout and exterior and interior door designation document for each instructional facility school system-wide that identifies all exterior and interior doors in the instructional facility and depicts all exterior doors on a floor plan with an alpha-numeric designation, in accordance with the door numbering specifications established in subsection (c)(1) of this section.

(B) Copies of exterior and interior door numbering site plans shall be readily available in each campus main office.

(C) Electronic copies of exterior and interior door numbering site plans shall be provided to the local 9-1-1 administrative entity, the Department of Public Safety, emergency service districts, local law enforcement agencies, and emergency first responders in accordance with TEC, §37.117. These entities shall be afforded an opportunity to conduct a walk-through of facilities utilizing the site plans provided.

(D) The site layout and exterior and interior door designation document shall be oriented in a manner that depicts true north.

(3) Maintenance.

(A) A school system shall perform at least twice-yearly maintenance checks to ensure the facility components required in subsection (c) of this section function as required. At a minimum, maintenance checks shall ensure the following:

(i) instructional facility exterior doors function properly, including meeting the requirements in subsection (c)(3)(A) and (C) of this section;

(ii) the locking mechanism for any ground-level windows that can be opened function properly;

(iii) any perimeter barriers and related gates function properly;

(iv) all panic alert or similar emergency notification systems in classrooms and campus central offices function properly,

which includes a notification successfully broadcast to all campus staff and to law enforcement and emergency responders;

(v) all school telephone systems and communications infrastructure provide accurate location information when a 9-1-1 call is made in accordance with state and federal laws and rules and when an alert is triggered in accordance with this section;

(vi) all exterior master key boxes function properly and the keys they contain function properly;

(vii) law enforcement and emergency responder two-way radios operate effectively within each instructional facility; and

(viii) two-way radios used by school system peace officers, school resource officers, or school marshals properly communicate with local law enforcement and emergency response services.

(B) A school system shall ensure procedures are in place to require that staff who become aware of a facility component functionality deficiency that would be identified during the twice-yearly maintenance review described by subparagraph (A) of this paragraph immediately report the deficiency to the school system's administration, regardless of the status of the twice-yearly maintenance review.

(C) A school system shall promptly remedy any deficiencies discovered during maintenance checks required by subparagraph (A) of this paragraph or reports made under subparagraph (B) of this paragraph.

(e) To the extent that any provisions of this section conflict with rules adopted in Chapter 61, Subchapter CC, of this title (relating to Commissioner's Rules Concerning School Facilities), including terms defined by this section or standards established by this section, the provisions of this section prevail.

(f) In implementing the requirements of this section, school systems shall comply with the standards adopted under Texas Government Code, §469.052.

(g) In implementing the requirements of this section, school systems must adopt a 3-year records control schedule that complies with the minimum requirements established by the Texas State Library and Archives Commission schedule, record series item number 5.4.017, as referenced in Texas Government Code, §441.169, and Texas Local Government Code, §203.041.

(h) Any document or information collected, identified, developed, or produced relating to the monitoring of school district safety and security requirements is confidential under Texas Government Code, §418.177 and §418.181, and is not subject to disclosure under Texas Government Code, Chapter 552.

(i) Certification.

(1) A school system must annually certify compliance with subsections (c) and (d) of this section as part of ongoing security audits under TEC, §37.108(b); maintain the certification locally; and provide documentation upon request by TEA. Non-compliance with subsections (c) and (d) of this section and all information received upon completion of a district vulnerability assessment under TEC, §37.1083, shall be reported to the school system's safety and security committee, the school system's board, and TEA, as applicable.

(2) TEA may modify rule requirements or grant provisional certification for individual site needs as determined by TEA.

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 March 16, 2026.

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Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 475-1497

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19 TAC §103.1219

The Texas Education Agency (TEA) proposes new §103.1219, concerning assignment of a conservator for noncompliance with school safety and security requirements. The proposed new rule would ensure school system compliance with safety requirements, as required by Texas Education Code (TEC), §37.1085, as added by House Bill (HB) 3, 88th Texas Legislature, Regular Session, 2023.

BACKGROUND INFORMATION AND JUSTIFICATION: Proposed new §103.1219 would outline the circumstances under which a conservator can be assigned for school systems that fail to comply with safety and security monitoring or to timely address issues raised by TEA, in accordance with TEC, §37.1085.

Proposed new §103.1219 would outline the circumstances where the commissioner of education can appoint a conservator related to school safety and security monitoring, the powers and duties an assigned conservator may exercise, and exceptions to conservator appointments, as related to school safety and security.

FISCAL IMPACT: James Finley, deputy chief of school safety and security, has determined that for the first five-year period the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

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

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

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

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

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation by allowing the commissioner to appoint a conservator for noncompliance with school safety and security requirements.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Mr. Finley has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be school system compliance with established safety and security requirements and TEA monitoring, resulting in safer learning environments for students, staff, and visitors. There is no anticipated economic cost to persons who are required to comply with the proposal.

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

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

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins March 27, 2026, and ends April 27, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on March 27, 2026. A form for submitting public comments is available on the TEA website at https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/.

STATUTORY AUTHORITY. The new section is proposed under TEC, §37.1085, as added by HB 3, 88th Texas Legislature, Regular Session, 2023, which grants the commissioner of education the authority to assign a conservator under TEC, Chapter 39A, if a school district fails to submit to any required monitoring, assessment, or audit; to comply with applicable safety and security requirements; or to timely address issues raised by the Texas Education Agency's monitoring, assessment, or audit.

CROSS REFERENCE TO STATUTE. The new section implements TEC, §37.1085, as added by HB 3, 88th Texas Legislature, Regular Session, 2023.

§103.1219. Assignment of a Conservator for Noncompliance with School Safety and Security Requirements.

(a) The commissioner of education may assign a conservator whenever such action is required, as determined by this section.

(b) The commissioner may appoint a conservator under Texas Education Code (TEC), Chapter 39A, when a school system fails to:

(1) submit to any required monitoring, assessment, or audit under TEC, §37.1083 or §37.1084;

(2) comply with applicable safety and security requirements; or

(3) address within 1 year issues raised by the Texas Education Agency's monitoring, assessment, or audit of the school system.

(c) A conservator assigned to a school system under this section may exercise the powers and duties of a conservator under TEC, §39A.003, only to correct a failure identified under subsection (b) of this section.

(d) This section does not apply to a school systems' failure to comply with TEC, §37.0814, or a good cause exception claimed under that section.

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

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CHAPTER 109. BUDGETING, ACCOUNTING, AND AUDITING

SUBCHAPTER AA. COMMISSIONER'S RULES CONCERNING FINANCIAL ACCOUNTABILITY

19 TAC §109.1001

(Editor's note: In accordance with Texas Government Code, §2002.014, which permits the omission of material which is "cumbersome, expensive, or otherwise inexpedient," the figures in 19 TAC §109.1001 are not included in the print version of the Texas Register. The figures are available in the on-line version of the March 27, 2026, issue of the Texas Register.)

The Texas Education Agency (TEA) proposes an amendment to §109.1001, concerning financial accountability ratings. The proposed amendment would update financial accountability rating information and rating worksheets for school districts and open-enrollment charter schools.

BACKGROUND INFORMATION AND JUSTIFICATION: Section 109.1001 includes the financial accountability rating system and rating worksheets that explain the indicators that TEA will analyze to assign financial accountability ratings for school districts and open-enrollment charter schools. The rule also specifies the minimum financial accountability rating information that a school district or an open-enrollment charter school is to report to parents and taxpayers in the district.

The proposed amendment would remove outdated rating worksheets and clarify the financial accountability rating indicators terminology used to determine each school district's and charter school's rating for the 2025-2026 rating year by revising the rating worksheets in re-lettered §109.1001(e)(1) and (f)(1) and by adding a rating worksheet in §109.1001(g)(1). The proposed amendment would also include calculations and terminology

clarifications for the 2026-2027 rating year and subsequent years by adding rating worksheets in new §109.1001(e)(2) and (f)(2) and §109.1001(g)(2).

Proposed new subsection (e)(2) would be added, including new Figure: 19 TAC §109.1001(e)(2), that would clarify terminology and calculations for School Financial Integrity Rating System of Texas (FIRST) indicators for years subsequent to the 2025-2026 rating year.

Proposed new subsection (f)(2) would be added, including new Figure: 19 TAC §109.1001(f)(2), that would clarify terminology and calculations for Charter FIRST indicators for years subsequent to the 2025-2026 rating year.

Proposed new subsection (g)(1) would be added, including new Figure: 19 TAC §109.1001(g)(1), that would clarify terminology and calculations for Charter FIRST indicators for institution of higher education (IHE) charter schools for the 2025-2026 rating year.

Proposed new subsection (g)(2) would be added, including new Figure: 19 TAC §109.1001(g)(2), that would clarify terminology and calculations for Charter FIRST indicators for IHE charter schools for years subsequent to the 2025-2026 rating year.

Proposed new subsection (g)(3) would be added to affirm calculations and scoring methods for charter schools operated by a public IHE adopted for prior rating years would remain in effect for purposes with respect to those rating years.

The worksheets dated July 2026 differ from the worksheets dated June 2024 as follows.

Figure: 19 TAC §109.1001(e)(1)

The due date for the fiscal year 2025 annual financial report (AFR) and financial data to TEA for indicator 1 would be revised for the 2025-2026 rating year primarily because the 2025 Compliance Supplement was released late in 2025 by the Office of Management and Budget (OMB).

The calculation for indicator 5 would be revised to include premiums on capital appreciation bonds with accreted interest on capital appreciation bonds to increase the adjusted net position.

The average daily attendance (ADA) ranges would be clarified for indicators 13 and 15.

The terminology for indicator 15 would be clarified to align with data used in the calculation for the indicator.

Calculations for indicators 6, 7, 9, and 13 would be adjusted to subtract recapture expenditures from total expenditures for school districts with local revenue in excess of entitlement, and indicator 9 would be adjusted to reduce the revenue that was recaptured from these districts. For school districts that have a fiscal year end of June 30, calculations for indicators 7, 8, and 11 would be adjusted to remove recapture amounts from cash and current liabilities, as applicable.

Figure: 19 TAC §109.1001(f)(1)

The due date for the fiscal year 2025 AFR and financial data to the agency for indicator 1 would be revised for the 2025-2026 rating year primarily because the 2025 Compliance Supplement was released late in 2025 by the OMB.

The calculation for indicator 12 would be revised to reflect changes in accounting principles.

For indicator 14, ADA ranges would be clarified, and terminology would be clarified to exclude object code 6144 from the calculation.

FISCAL IMPACT: Amy Copeland, associate commissioner for school finance and chief school finance officer, has determined that for the first five-year period the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

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

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

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

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

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would expand an existing regulation by clarifying terminology used to define FIRST indicators.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not create a new regulation; would not limit or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Copeland has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be ensuring that the provisions of the financial accountability rating system align to make the indicators uniform for all school districts and charter schools and would provide a fair and equitable rating system for all school districts and charter schools. There is no anticipated economic cost to persons who are required to comply with the proposal.

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

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

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the

proposed rule or any other interested person. The public comment period on the proposal begins March 27, 2026, and ends April 27, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on March 27, 2026. A form for submitting public comments is available on the TEA website at https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/.

STATUTORY AUTHORITY. The amendment is proposed under TEC, §12.104(b)(3)(M), which subjects open-enrollment charter schools to the prohibitions, restrictions, or requirements relating to public school accountability and special investigations under TEC, Chapter 39, Subchapters A, B, C, D, F, G, and J, and TEC, Chapter 39A; TEC, §39.082, which requires the commissioner to develop and implement a financial accountability rating system for public schools and establishes certain minimum requirements for the system, including an appeals process; TEC, §39.083, which requires the commissioner to include in the financial accountability system procedures for public schools to report and receive public comment on an annual financial management report; TEC, §39.085, which requires the commissioner to adopt rules to implement TEC, Chapter 39, Subchapter D, which addresses financial accountability for public schools; and TEC, §39.151, as amended by House Bill (HB) 8, 89th Texas Legislature, 2nd Called Session, 2025, which requires the commissioner to provide a process by which a school district or an open-enrollment charter school can challenge an agency decision related to academic or financial accountability under TEC, Chapter 39, including a determination of consecutive school years of unacceptable performance ratings. This process must include a committee to make recommendations to the commissioner. These provisions collectively authorize and require the commissioner to adopt the financial accountability system rules, which implement each requirement of statute applicable to school districts and open-enrollment charter schools.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §§12.104(b)(3)(M); 39.082; 39.083; 39.085; and 39.151, as amended by HB 8, 89th Texas Legislature, 2nd Called Session, 2025.

§109.1001. Financial Accountability Ratings.

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

(1) Annual Financial Report (AFR)--The audited annual report required by [~~the~~] Texas Education Code (TEC), §44.008, that is due to the Texas Education Agency (TEA) by no later than 150 days after the close of a school district's or an open-enrollment charter school's fiscal year.

(2) Ceiling indicator--An upper limit (the maximum score) at which a score from a standard limit of a specific indicator will result regardless of overall points.

(3) Debt--An amount of money owed to a person, bank, company, or other organization.

(4) Electronic submission--The TEA electronic data feed format required for use by school districts, open-enrollment charter schools, and regional education service centers (ESCs).

(5) Financial Integrity Rating System of Texas (FIRST)--The financial accountability rating system administered by [~~the~~] TEA in accordance with [~~the~~] TEC, §39.082 and §39.085. The system provides additional transparency to public education finance and meaningful financial oversight and improvement for school districts (School FIRST) and open-enrollment charter schools and charter schools operated by a public institution of higher education under TEC, Chapter 12, Subchapters D and E (Charter FIRST).

(6) Fiscal year--The fiscal year of a school district or an open-enrollment charter school, which begins on July 1 or September 1 of each year, as determined by the board of trustees of the district or the governing body of the charter holder in accordance with [~~the~~] TEC, §44.0011.

(7) Foundation School Program (FSP)--The program established under [~~the~~] TEC, Chapters 41, 42, and 46, or any successor program of state-appropriated funding for school districts in this state.

(8) Open-enrollment charter school--A charter school authorized by the commissioner of education under TEC, Chapter 12, Subchapter D.

(9) Public institution of higher education (IHE)--A public college or university eligible to operate a school district; an open-enrollment charter school; or a TEC, Chapter 12, Subchapter E, charter school authorized by the commissioner.

(10) Summary of Finances (SOF) report--The document of record for FSP allocations. An SOF report is produced for each school district and open-enrollment charter school by the TEA division responsible for state funding that describes the school district's or open-enrollment charter school's funding elements and FSP state aid.

(11) Texas Student Data System Public Education Information Management System (TSDS PEIMS)--The system that school districts and open-enrollment charter schools use to load, validate, and submit their data to [~~the~~] TEA.

(12) Warrant hold--The process by which state payments issued to payees indebted to the state, or payees with a tax delinquency, are held by the Texas Comptroller of Public Accounts until the debt is satisfied in accordance with [~~the~~] Texas Government Code, §403.055.

(b) [~~The~~] TEA will assign a financial accountability rating to each school district, open-enrollment charter school, and charter school operated by a public IHE under TEC, Chapter 12, Subchapters D and E, as required by [~~the~~] TEC, §39.082.

(c) The commissioner will evaluate the rating system every three years as required by [~~the~~] TEC, §39.082, and may modify the system in order to improve the effectiveness of the rating system. If the rating system has been modified, [~~the~~] TEA will communicate changes to ratings criteria and their effective dates to school districts, open-enrollment charter schools, and charter schools operated by public IHEs.

(d) [~~The~~] TEA will use the following sources of data in calculating the financial accountability indicators for school districts, open-enrollment charter schools, and charter schools operated by public IHEs.

(1) AFR. For each school district, open-enrollment charter school, and charter school operated by a public IHE, [~~the~~] TEA will use audited financial data in the district's or charter's AFR. The AFR, submitted as an electronic submission through the TEA website, must include data required in the Financial Accountability System Resource Guide (FASRG) adopted under §109.41 of this title (relating to Financial Accountability System Resource Guide).

(2) TSDS PEIMS. [~~The~~] TEA will use TSDS PEIMS data submitted by the school district, open-enrollment charter school, or charter school operated by a public IHE in the calculation of the financial accountability indicators.

(3) Warrant holds. [~~The~~] TEA will use warrant holds as reported by the Texas Comptroller of Public Accounts in the calculation of the financial accountability indicators.

(4) FSP. [~~The~~] TEA will use the average daily attendance (ADA) information used for FSP funding purposes for the school district, open-enrollment charter school, or charter school operated by a public IHE in the calculation of the financial accountability indicators.

(e) [~~The~~] TEA will base the financial accountability rating of a school district on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner, as shown in the figures provided in this subsection. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year.

[~~(1) The financial accountability rating indicators for rating year 2014-2015 are based on fiscal year 2014 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated August 2015 for rating year 2014-2015."~~]
[~~Figure: 19 TAC §109.1001(e)(1)~~]

[~~(2) The financial accountability rating indicators for rating year 2015-2016 are based on fiscal year 2015 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated August 2015 for rating year 2015-2016."~~]
[~~Figure: 19 TAC §109.1001(e)(2)~~]

[~~(3) The financial accountability rating indicators for rating year 2016-2017 are based on fiscal year 2016 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated December 2016 for rating year 2016-2017."~~]
[~~Figure: 19 TAC §109.1001(e)(3)~~]

[~~(4) The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 are based on financial data from fiscal years 2017, 2018, and 2019, respectively, and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated April 2020 for rating years 2017-2018 through 2019-2020." The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 will use the same calculations and scoring method provided in the figure in this paragraph.~~]
[~~Figure: 19 TAC §109.1001(e)(4)~~]

[~~(5) The financial accountability rating indicators for rating year 2020-2021 are based on fiscal year 2020 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated October 2021 for rating year 2020-2021." The financial accountability rating indicators for rating years after 2020-2021 will use the same calculations and scoring method provided in the figure in this paragraph.~~]
[~~Figure: 19 TAC §109.1001(e)(5)~~]

[~~(6) The financial accountability rating indicators for rating year 2021-2022 are based on fiscal year 2021 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated October 2021 for rating year 2021-2022." The financial accountability rating indicators for rating years after 2021-2022 will use the same calculations and scoring method provided in the figure in this paragraph.~~]
[~~Figure: 19 TAC §109.1001(e)(6)~~]

[~~(7) The financial accountability rating indicators for rating year 2022-2023 are based on fiscal year 2022 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated June 2023 for rating year 2022-2023." The financial accountability rating indicators for rating years after 2022-2023 will use the same calculations and scoring method provided in the figure in this paragraph.~~]
[~~Figure: 19 TAC §109.1001(e)(7)~~]

[~~(8) The financial accountability rating indicators for rating year 2023-2024 are based on fiscal year 2023 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated June 2024 for Rating Years 2023-2024+." The financial accountability rating indicators for rating years after 2023-2024 will use the same calculations and scoring method provided in the figure in this paragraph.~~]
[~~Figure: 19 TAC §109.1001(e)(8)~~]

(1) [~~(9)~~] The financial accountability rating indicators for rating year 2025-2026 are based on fiscal year 2025 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated July 2026 [~~June 2024~~] for Rating Years 2025-2026+." The financial accountability rating indicators for rating years after 2025-2026 will use the same calculations and scoring method provided in the figure in this paragraph.
Figure: 19 TAC §109.1001(e)(1)
[~~Figure: 19 TAC §109.1001(e)(9)~~]

(2) The financial accountability rating indicators for rating year 2026-2027 are based on fiscal year 2026 financial data and are provided in the figure in this paragraph entitled "School FIRST - Rating Worksheet Dated July 2026 for Rating Years 2026-2027+." The financial accountability indicators for rating years after 2026-2027 will use the same calculations and scoring method provided in the figure in this paragraph.
Figure: 19 TAC §109.1001(e)(2)

(3) [~~(10)~~] The specific calculations and scoring methods used in the financial accountability rating worksheets for school districts adopted for prior rating years [~~prior to 2014-2015~~] remain in effect for all purposes with respect to those rating years.

(f) [~~The~~] TEA will base the financial accountability rating of an open-enrollment charter school on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner, as shown in the figures provided in this subsection. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year.

[~~(1) The financial accountability rating indicators for rating year 2014-2015 are based on fiscal year 2014 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated August 2015 for rating year 2014-2015."~~]
[~~Figure: 19 TAC §109.1001(f)(1)~~]

[~~(2) The financial accountability rating indicators for rating year 2015-2016 are based on fiscal year 2015 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated August 2015 for rating year 2015-2016."~~]
[~~Figure: 19 TAC §109.1001(f)(2)~~]

[~~(3) The financial accountability rating indicators for rating year 2016-2017 are based on fiscal year 2016 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated August 2015 for rating year 2016-2017."~~]
[~~Figure: 19 TAC §109.1001(f)(3)~~]

[~~(4) The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 are based on financial data from fiscal years 2017, 2018, and 2019, respectively, and are provided in the figure in this paragraph entitled "Charter FIRST - Rating~~

Worksheet Dated April 2020 for rating year 2017-2018." The financial accountability rating indicators for rating years 2017-2018, 2018-2019, and 2019-2020 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(f)(4)]

[(5) The financial accountability rating indicators for rating year 2020-2021 are based on fiscal year 2020 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated October 2021 for rating year 2020-2021." The financial accountability rating indicators for rating years after 2020-2021 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(f)(5)]

[(6) The financial accountability rating indicators for rating year 2021-2022 are based on fiscal year 2021 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated October 2021 for rating year 2021-2022." The financial accountability rating indicators for rating years after 2021-2022 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(f)(6)]

[(7) The financial accountability rating indicators for rating year 2022-2023 are based on fiscal year 2022 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated June 2023 for rating year 2022-2023." The financial accountability rating indicators for rating years after 2022-2023 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(f)(7)]

[(8) The financial accountability rating indicators for rating year 2023-2024 are based on fiscal year 2022 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated June 2024 for Rating Years 2023-2024+." The financial accountability rating indicators for rating years after 2023-2024 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(f)(8)]

(1) [(9)] The financial accountability rating indicators for rating year 2025-2026 are based on fiscal year 2025 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated July 2026 [June 2024] for Rating Years 2025-2026+." The financial accountability rating indicators for rating years after 2025-2026 will use the same calculations and scoring method provided in the figure in this paragraph.
Figure: 19 TAC §109.1001(f)(1)
[Figure: 19 TAC §109.1001(f)(9)]

(2) The financial accountability rating indicators for rating year 2026-2027 are based on fiscal year 2026 financial data and are provided in the figure in this paragraph entitled "Charter FIRST - Rating Worksheet Dated July 2026 for Rating Years 2026-2027+." The financial accountability indicators for rating years after 2026-2027 will use the same calculations and scoring method provided in the figure in this paragraph.
Figure: 19 TAC §109.1001(f)(2)

(3) [(10)] The specific calculations and scoring methods used in the financial accountability rating worksheets for open-enrollment charter schools adopted for prior rating years [prior to 2014-2015] remain in effect for all purposes with respect to those rating years.

(g) [The] TEA will base the financial accountability rating of a charter school operated by a public IHE on its overall performance on the financial measurements, ratios, and other indicators established by the commissioner, as shown in the figures provided in this subsection. Financial accountability ratings for a rating year are based on the data from the immediate prior fiscal year.

(1) The financial accountability rating indicators for rating year 2025-2026 are based on fiscal year 2025 financial data and are provided in the figure in this paragraph entitled "IHE Charter FIRST - Rating Worksheet Dated July 2026 for rating year 2025-2026." The financial accountability rating indicators for rating years after 2025-2026 will use the same calculations and scoring method provided in the figure in this paragraph.
Figure: 19 TAC §109.1001(g)(1)

(2) The financial accountability rating indicators for rating year 2026-2027 are based on fiscal year 2026 financial data and are provided in the figure in this paragraph entitled "IHE Charter FIRST - Rating Worksheet Dated July 2026 for rating year 2026-2027." The financial accountability rating indicators for rating years after 2026-2027 will use the same calculations and scoring method provided in the figure in this paragraph.
Figure: 19 TAC §109.1001(g)(2)

(3) The specific calculations and scoring methods used in the financial accountability rating worksheets for charter schools operated by a public IHE adopted for prior rating years remain in effect for all purposes with respect to those rating years.

[(1) The financial accountability rating indicators for rating year 2016-2017 are based on fiscal year 2016 financial data and are provided in the figure in this paragraph entitled "IHE Charter FIRST - Rating Worksheet Dated June 2019 for rating years 2016-2017 through 2019-2020." The financial accountability rating indicators for rating years 2016-2017 through 2019-2020 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(g)(1)]

[(2) The financial accountability rating indicators for rating year 2020-2021 are based on fiscal year 2020 financial data and are provided in the figure in this paragraph entitled "IHE Charter FIRST - Rating Worksheet Dated June 2019 for rating year 2020-2021." The financial accountability rating indicators for rating years after 2020-2021 will use the same calculations and scoring method provided in the figure in this paragraph.]
[Figure: 19 TAC §109.1001(g)(2)]

(h) The types of financial accountability ratings that school districts or open-enrollment charter schools may receive for the rating year 2014-2015 are as follows.

(1) P for pass. This rating applies only to the financial accountability rating for rating year 2014-2015 based on fiscal year 2014 financial data. In accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive a P rating if it scores within the applicable range established by the commissioner for a P rating.

(2) F for substandard achievement. This rating applies to the financial accountability rating for rating year 2014-2015 based on fiscal year 2014 financial data. In accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive an F rating if it scores within the applicable range established by the commissioner for an F rating.

(i) The types of financial accountability ratings that school districts or open-enrollment charter schools may receive for the rating year 2015-2016 and all subsequent rating years are as follows.

(1) A for superior achievement. Beginning with the financial accountability rating for rating year 2015-2016 and all subsequent rating years, in accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive an A rating if it scores within the applicable range established by the commissioner for an A rating.

(2) B for above standard achievement. Beginning with the financial accountability rating for rating year 2015-2016 and all subsequent rating years, in accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive a B rating if it scores within the applicable range established by the commissioner for a B rating.

(3) C for standard achievement. Beginning with the financial accountability rating for rating year 2015-2016 and all subsequent rating years, in accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive a C rating if it scores within the applicable range established by the commissioner for a C rating.

(4) F for substandard achievement. Beginning with the financial accountability rating for rating year 2015-2016 and all subsequent rating years, in accordance with the procedures established in this section, a school district or an open-enrollment charter school will receive an F rating if it scores within the applicable range established by the commissioner for an F rating.

(5) No Rating. Beginning with the financial accountability rating for rating year 2016-2017 and all subsequent rating years, in accordance with the procedures established in this section, a school district receiving territory due to an annexation order by the commissioner under [~~the~~] TEC, §13.054, or consolidation under [~~the~~] TEC, Chapter 49, Subchapter H, will not receive a rating for two consecutive rating years beginning with the rating year that is based on financial data from the fiscal year in which the order of annexation becomes effective. After the second rating year, the receiving district will be subject to the financial accountability rating system established by the commissioner in this section.

(j) The types of financial accountability ratings that charter schools operated by public IHEs may receive for the rating year 2016-2017 and all subsequent rating years are as follows.

(1) P for pass. Beginning with the financial accountability rating for rating year 2016-2017 and all subsequent rating years, in accordance with the procedures established in this section, a charter school operated by a public IHE will receive a P rating if it scores within the applicable range established by the commissioner for a P rating.

(2) F for substandard achievement. Beginning with the financial accountability rating for rating year 2016-2017 and all subsequent rating years, in accordance with the procedures established in this section, a charter school operated by a public IHE will receive an F rating if it scores within the applicable range established by the commissioner for an F rating.

(k) The commissioner may lower a financial accountability rating based on the findings of an action conducted under [~~the~~] TEC, Chapter 39 or 39A, or change a financial accountability rating in cases of disaster, flood, extreme weather conditions, fuel curtailment, or another calamity.

(l) A financial accountability rating remains in effect until replaced by a subsequent financial accountability rating.

(m) [~~The~~] TEA will issue a preliminary financial accountability rating to a school district, an open-enrollment charter school, or a charter school operated by a public IHE on or before August 8 of each year. [~~The~~] TEA will base the financial accountability rating for a rating year on the data from the fiscal year preceding the rating year.

(1) [~~The~~] TEA will not delay the issuance of the preliminary or final rating if a school district, an open-enrollment charter school, or a charter school operated by a public IHE fails to meet the statutory deadline under [~~the~~] TEC, §44.008, for submitting the AFR. Instead, the school district, open-enrollment charter school, or charter school operated by a public IHE will receive an F rating for substandard achievement.

(2) If [~~the~~] TEA receives an appeal of a preliminary rating, described by subsection (n) of this section, [~~the~~] TEA will issue a final rating to the school district, open-enrollment charter school, or charter school operated by a public IHE no later than 60 days after the deadline for submitting appeals.

(3) If [~~the~~] TEA does not receive an appeal of a preliminary rating, described by subsection (n) of this section, the preliminary rating automatically becomes a final rating 31 days after issuance of the preliminary rating.

(n) A school district, an open-enrollment charter school, or a charter school operated by a public IHE may appeal its preliminary financial accountability rating through the following appeals process.

(1) The TEA division responsible for financial accountability must receive a written appeal no later than 30 days after [~~the~~] TEA's release of the preliminary rating. The appeal must include adequate evidence and additional information that supports the position of the school district, open-enrollment charter school, or charter school operated by a public IHE. Appeals received 31 days or more after TEA issues a preliminary rating will not be considered.

(2) A data error attributable to [~~the~~] TEA is a basis for an appeal. If a preliminary rating contains a data error attributable to [~~the~~] TEA, a school district or an open-enrollment charter school may submit a written appeal requesting a review of the preliminary rating.

(3) A school district, an open-enrollment charter school, or a charter school operated by a public IHE may appeal any other adverse issue it identifies in the preliminary rating.

(4) [~~The~~] TEA will only consider appeals that would result in a change of the preliminary rating.

(5) The TEA division responsible for financial accountability will select an external review panel to independently oversee the appeals process.

(6) The TEA division responsible for financial accountability will submit the information provided by the school district, open-enrollment charter school, or charter school operated by a public IHE to the external review panel members for review.

(7) Each external review panel member will examine the appeal and supporting documentation and will submit his or her recommendation to the TEA division responsible for financial accountability.

(8) The TEA division responsible for financial accountability will compile the recommendations and forward them to the commissioner.

(9) The commissioner will make a final ratings decision.

(A) The commissioner may adjust a score for an indicator or the overall score upon appeal of the indicator(s) by the school district, open-enrollment charter school, or charter school operated by a public IHE.

(B) Upon appeal of the indicator for the timely submission of a complete AFR, the commissioner may adjust the overall score and rating as described in clauses (i)-(iii) of this subparagraph if the certificate of the board and the audit opinion letter from the external auditor for the school district's or charter school's AFR were signed on or before the due date of the AFR as required in TEC, §44.008.

(i) For a school district or charter school that has a failed preliminary FIRST rating with 85 to 100 points, deduct 15 points from the total points for an overall passing score if no other critical indicators were failed.

(ii) For a school district or charter school that has a failed preliminary FIRST rating with 70 to 84 points, adjust the overall score to 70 points for an overall passing score if no other critical indicators were failed.

(iii) For a school district or charter school that has a failed preliminary FIRST rating with total points less than the threshold for an overall passing score and/or the school district or charter school failed any other critical indicators, no adjustment to the points will be made for the overall score.

(o) A final rating issued by [~~the~~] TEA under this section may not be appealed under [~~the~~] TEC, §7.057, or any other law or rule.

(p) A financial accountability rating by a voluntary association is a local option of the school district, open-enrollment charter school, or charter school operated by a public IHE, but it does not substitute for a financial accountability rating by [~~the~~] TEA.

(q) Each school district, open-enrollment charter school, and charter school operated by a public IHE is required to report information and financial accountability ratings to parents, taxpayers, and other stakeholders by implementing the following reporting procedures.

(1) Each school district, open-enrollment charter school, and charter school operated by a public IHE must prepare and distribute an annual financial management report in accordance with this subsection.

(2) Each school district, open-enrollment charter school, and charter school operated by a public IHE must provide the public with an opportunity to comment on the report at a public hearing.

(3) The annual financial management report for a school district, an open-enrollment charter school, or a charter school operated by a public IHE must include:

(A) a description of its financial management performance based on a comparison, provided by [~~the~~] TEA, of its performance on the indicators established by the commissioner and reflected in this section. The report will contain information that discloses:

(i) state-established standards; and

(ii) the financial management performance of the school district, open-enrollment charter school, or charter school operated by a public IHE under each indicator for the current and previous year's financial accountability ratings;

(B) any descriptive information required by the commissioner, including:

(i) a copy of the superintendent's current employment contract or other written documentation of employment if no contract exists. This must disclose all compensation and benefits paid to the superintendent. The school district, open-enrollment charter school, or charter school operated by a public IHE may publish the superintendent's employment contract on its website instead of publishing it in the annual financial management report;

(ii) a summary schedule for the fiscal year (12-month period) of expenditures paid on behalf of the superintendent and each board member and total reimbursements received by the superintendent and each board member. This includes transactions on the credit card(s), debit card(s), stored-value card(s), and any other similar instrument(s) of the school district, open-enrollment charter school, or charter school operated by a public IHE to cover expenses incurred by the superintendent and each board member. The summary schedule must separately report reimbursements for meals, lodging, transportation, motor fuel, and other items. The summary schedule of total reimbursements should not include reimbursements for supplies and materials that were purchased for the operation of the school district, open-enrollment charter school, or charter school operated by a public IHE;

(iii) a summary schedule for the fiscal year of the dollar amount of compensation and fees received by the superintendent from an outside school district, open-enrollment charter school, charter school operated by a public IHE, or any other outside entity in exchange for professional consulting or other personal services. The schedule must separately report the amount received from each entity;

(iv) a summary schedule for the fiscal year of the total dollar amount of gifts that had a total economic value of $250 or more received by the executive officers and board members. This reporting requirement applies only to gifts received by the executive officers and board members (and their immediate family as described by Texas Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity) of the school district, open-enrollment charter school (or charter holder), or charter school operated by a public IHE (or charter holder) from an outside entity that received payments from the school district, open-enrollment charter school (or charter holder), or charter school operated by a public IHE (or charter holder) in the prior fiscal year and to gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement by an outside entity for travel-related expenses when the purpose of the travel was to investigate matters directly related to an executive officer's or board member's duties or to investigate matters related to attendance at education-related conferences and seminars with the primary purpose of providing continuing education (this exclusion does not apply to trips for entertainment purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had a total economic value of less than $250 per executive officer or board member; and

(v) a summary schedule for the fiscal year of the dollar amount received by board members for the total amount of business transactions with the school district, open-enrollment charter school (or charter holder), or charter school operated by a public IHE (or charter holder). This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members; and

(C) any other information the board of trustees of the school district, open-enrollment charter school, or charter school operated by a public IHE determines to be useful.

(4) The board of trustees of each school district, open-enrollment charter school, or charter school operated by a public IHE must hold a public hearing on the annual financial management report within two months after receiving a final financial accountability rating. The public hearing must be held at a location in the facilities of the school district, open-enrollment charter school, or charter school operated by a public IHE. The board must give notice of the hearing to owners of real estate property in the geographic boundaries of the school district, open-enrollment charter school, or charter school oper-

ated by a public IHE and to parents of school district, open-enrollment charter school, or charter school operated by a public IHE students. In addition to other notice required by law, the board must provide notice of the hearing:

(A) to a newspaper of general circulation in the geographic boundaries of the school district, each campus of an open-enrollment charter school, or each campus of a charter school operated by a public IHE in one posting prior to holding the public meeting, providing the time and place of the hearing. The notice in the newspaper may not be earlier than 30 days or later than 10 days before the date of the hearing. If no newspaper is published in the county in which the district's central administration office is located or within the geographic boundaries of an open-enrollment charter school's campus or campus of a charter school operated by a public IHE, then the board must publish the notice in the county nearest to the county seat of the county in which the district's central administration office is located or in which the campus of the open-enrollment charter school or the campus of a charter school operated by a public IHE is located; and

(B) through electronic mail to the mass communication media serving the school district, open-enrollment charter school, or charter school operated by a public IHE, including, but not limited to, radio and television.

(5) At the hearing, the school district, open-enrollment charter school, or charter school operated by a public IHE must provide the annual financial management report to the attending parents and taxpayers.

(6) The school district, open-enrollment charter school, or charter school operated by a public IHE must retain the annual financial management report for at least three years after the public hearing and make it available to parents and taxpayers upon request.

(7) Each school district, open-enrollment charter school, or charter school operated by a public IHE that received an F rating must file a corrective action plan with [~~the~~] TEA, prepared in accordance with instructions from the commissioner, within one month after the public hearing of the school district, open-enrollment charter school, or charter school operated by a public IHE. The commissioner may require certain information in the corrective action plan to address the factor(s) that may have contributed to the F rating for a school district, open-enrollment charter school, or charter school operated by a public IHE.

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 March 16, 2026.

TRD-202601244
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 475-1497

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TITLE 22. EXAMINING BOARDS

PART 15. TEXAS STATE BOARD OF PHARMACY

CHAPTER 291. PHARMACIES

SUBCHAPTER A. ALL CLASSES OF PHARMACIES

22 TAC §291.13

The Texas State Board of Pharmacy proposes new rule §291.13, concerning Telehealth Services Provided by a Pharmacist. The new rule, if adopted, establishes the documentation and retention requirements regarding a patient's consent to treatment, data collection, and data sharing for telehealth services provided by a pharmacist, in accordance with House Bill 1700.

Daniel Carroll, Pharm.D., R.Ph., Executive Director/Secretary, has determined that, for the first five-year period the rules are in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the rule. Dr. Carroll has determined that, for each year of the first five-year period the rule will be in effect, the public benefit anticipated as a result of enforcing the rule will be to provide consistency between state law and Board rules regarding the recordkeeping and retention requirements for telehealth services provided by a pharmacist. There is no anticipated adverse economic impact on large, small or micro-businesses (pharmacies), rural communities, or local or state employment. Therefore, an economic impact statement and regulatory flexibility analysis are not required.

For each year of the first five years the proposed rule will be in effect, Dr. Carroll has determined the following:

(1) The proposed rule does not create or eliminate a government program;

(2) Implementation of the proposed rule does not require the creation of new employee positions or the elimination of existing employee positions;

(3) Implementation of the proposed rule does not require an increase or decrease in the future legislative appropriations to the agency;

(4) The proposed rule does not require an increase or decrease in fees paid to the agency;

(5) The proposed rule does create a new regulation concerning telehealth services provided by a pharmacist in order to comply with state law;

(6) The proposed rule does not limit or expand an existing regulation;

(7) The proposed rule does not increase or decrease the number of individuals subject to the rule's applicability; and

(8) The proposed rule does not positively or adversely affect this state's economy because the proposed rule would have a de minimis impact on the economy.

The Board is requesting public comments on the proposed rule and information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis. Any information that is submitted in response to this request must include an explanation of how and why the submitted information is specific to the proposed rule.

Written comments on the proposed rule may be submitted to Eamon D. Briggs, Deputy General Counsel, Texas State Board of Pharmacy, 1801 Congress Avenue, Suite 13.100, Austin, Texas 78701-1319, FAX (512) 305-8061. The deadline for comments is 30 days after publication in the *Texas Register*.

The new rule is proposed under §§551.002 and 554.051 of the Texas Pharmacy Act (Chapters 551 - 569, Texas Occupations Code). The Board interprets §551.002 as authorizing the agency to protect the public through the effective control and regulation of the practice of pharmacy. The Board interprets §554.051(a) as authorizing the agency to adopt rules for the proper administration and enforcement of the Act.

The statutes affected by the proposed rule: Texas Pharmacy Act, Chapters 551 - 569, Texas Occupations Code.

§291.13. Telehealth Services Provided by a Pharmacist.

(a) "Telehealth service" shall have the meaning defined by Texas Occupations Code §111.001(3).

(b) The requirements of subsection (c) of this section apply to a telehealth service regardless of whether the patient interaction occurs in a video or audio-only format.

(c) A pharmacist who provides a telehealth service shall obtain the informed consent of the patient, or of another individual authorized to make health care treatment decisions for the patient, before the telehealth service is provided. The informed consent may be obtained either in writing or verbally.

(1) The informed consent shall include the patient's consent to:

(A) treatment;

(B) data collection; and

(C) data sharing.

(2) The informed consent shall be documented by recording the initials or identification code of the pharmacist who obtained the consent as follows:

(A) in the pharmacy's data processing system;

(B) in an electronic logbook; or

(C) in a hard-copy log.

(3) Documentation of informed consent shall be:

(A) kept by the pharmacy at the pharmacy's licensed location and be available, for at least two years from the date of such record, for inspection and copying by the board or its representative and to other authorized local, state, or federal law enforcement agencies; and

(B) supplied by the pharmacy within 72 hours, if requested by an authorized agent of the board. Failure to provide the records, either on site or within 72 hours, constitutes prima facie evidence of failure to keep and maintain records in violation of the Act.

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 March 13, 2026.

TRD-202601216
Daniel Carroll, Pharm.D.
Executive Director
Texas State Board of Pharmacy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-8084

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PART 22. TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

CHAPTER 511. ELIGIBILITY

SUBCHAPTER B. CERTIFICATION BY EXAMINATION

22 TAC §511.22

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.22 concerning Initial Filing of the Application of Intent.

Background, Justification and Summary

Applicants are required to submit an application of intent. If the two years pass (as required by statute) and they have not taken one section of the CPA exam, the application of intent is removed from the Board's database and the person is required to submit a new application of intent to begin the process again.

Recent legislation has exempted certain military service members and spouses from the application filing fee for a license. The proposed revision recognizes that exemption. The time line for filing that application for exemption is no longer applicable.

The application of intent is required of exam applicant's and not licensees. It is required for each person who are citizens or non-citizens of the USA.

Applicants who are not citizens of this country are no longer required to pay an additional filing fee when they do not have a social security card.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendments will provide additional needed information for applicants for licensure.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed

rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.22. ~~[Initial]~~ Filing of the Application of Intent.

(a) The [~~initial~~] filing of the application of intent shall be made on forms prescribed by the board and shall also be in compliance with board rules and with all applicable laws. The application of intent may be submitted at any time and will be used to determine compliance and eligibility for an applicant to take the UCPAE. The application of intent will remain active until:

(1) an applicant takes at least one section of the UCPAE within two years from the date of submission of the application; or

(2) the second anniversary of the submission of the application has lapsed.

(b) Each applicant who submits an application of intent to determine eligibility for the UCPAE must pay a nonrefundable filing fee in accordance with §521.12 of this title (relating to Filing Fee) unless the applicant qualifies for a military exemption as described in §55.009 of the Occupations Code (relating to License Application and Examination Fee). [~~The filing fee shall be applied towards a reapplication of intent to determine eligibility for the UCPAE for those applicants applying prior to September 1, 2023 and reapplying following that date in order to qualify to take the UCPAE with 120 hours of acceptable coursework.~~] An application of intent not accompanied by the proper fee or required documents shall not be considered complete. The withholding of information, a misrepresentation, or any untrue statement on the application or supplemental documents will be cause for rejection of the application.

(c) Each applicant must provide official educational documents to be used in determining compliance with the applicable education requirements of the Act and board rules.

(d) Each applicant must comply with the board's fingerprinting process that accesses the Federal Bureau of Investigation (FBI) database and the Texas Department of Public Safety-Crime Records division files. This is necessary to ensure an applicant to take the uniform CPA examination or to receive a certificate lacks a history of dishonest or felonious acts and the board is aware of any criminal activity that might be relevant to the applicant's qualifications to take the UCPAE.

(e) Each applicant will be notified when all requirements have been met to apply to take the UCPAE, and with the notification, an examination application will be made available to the applicant.

(f) Each applicant must provide a copy of the following documents:

(1) Unexpired driver's license issued by a state of the United States provided it contains a photograph and information such as name, date of birth, sex, height, eye color, and address; or an unexpired United States passport; and

(2) social security card. Such information shall be considered confidential and can only be disclosed under the provisions of the Act.

(g) Applicants who are citizens of a foreign country and who cannot meet the requirements of subsection (f) of this section shall comply by providing evidence of a non-expired F-1 Visa or Form I-797 Extension with the expired F-1 Visa issued to students attending a university or college. The board may consider an F-1 Visa with a Certificate of Eligibility for Nonimmigrant Student Status. Form I-20 shall be approved by the designated school official at the educational institution where the applicant is currently attending.

(h) Applicants who cannot meet the requirements of subsection (f) or (g) of this section may be eligible to take the UCPAE by providing evidence of both identity and employment authorization by submitting a copy of one of the following unexpired documents:

(1) An Alien Registration Receipt Card or Permanent Resident Card (Form I-551); or

(2) A foreign passport that contains a temporary I-551 stamp, or temporary I-551 printed notation on a machine-readable immigrant visa; or

(3) An Employment Authorization Document which contains a photograph (Form I-766).

[~~(i) Applicants who do not have or do not submit a social security card will be required to pay an additional fee to NASBA each time they make application for the UCPAE to verify their legal entry into the U.S.~~]

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.26

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.26 concerning Applications under Prior Acts.

Background, Justification and Summary

The proposed rule revision makes it clear that an application to take the exam or to be certified prior to the revisions to the Act continues to be effective without the need for refiling. It also makes it clear that the examination referenced in the rule is the UCPAE examination.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule clarifies that an applicant is not required to file a new application as a result of revisions to the Public Accountancy Act.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.26. Applications under Prior Acts.

An applicant who applies and is approved for the UCPAE or certification [~~examination~~] under a prior Act shall continue to be eligible to take the UCPAE or to be certified [~~examination~~]. The applicant may re-qualify to another education requirement of the Act under which the applicant qualified, or may re-qualify to the education of the current Act[~~, but the applicant shall not rescind this action~~].

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

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

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SUBCHAPTER C. EDUCATIONAL REQUIREMENTS

22 TAC §511.51

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.51 concerning Educational Definitions.

Background, Justification and Summary

Deleted no longer needed definitions, terms and acronyms and added new terms.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The proposed rule amendment will update the needed definitions and terms and remove no longer used terms for the public to understand the requirements for certification.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.51. Educational Definitions.

[~~(a)~~] The following words and terms extracted from rules promulgated by the Texas Higher Education Coordinating Board, shall have the following meanings for this chapter, unless the context clearly indicates otherwise.

[~~(1) "Accelerated courses" means courses delivered in shortened semesters which are expected to have the same number of contact hours and the same requirement for out-of-class learning as courses taught in a normal semester.~~]

[~~(2) "Contact hour" means a time unit of instruction used by institutions of higher education consisting of 60 minutes, of which 50 minutes must be direct instruction.~~]

[~~(3) "Non-traditionally-delivered course" means a course that is offered in a non-traditional way and does not meet the definition of contact hours.~~]

(1) [~~(4)~~] "Semester" means and normally shall include 15 weeks for instruction and one week for final examination or a total of 16 weeks instruction and examination combined.

(2) [~~(5)~~] "Semester credit hour" or "semester hour" means a unit of measure of instruction consisting of 60 minutes, of which 50 minutes must be direct instruction, over a 15-week period in a semester system or a 10-week period in a quarter system.

[~~(6) "Traditionally-delivered three semester-credit-hour course" or "traditional course" means a course containing 15 weeks of instruction (45 contact hours) plus a week for final examinations so that such a course contains 45-48 contact hours depending on whether there is a final exam.~~]

[~~(b)~~] [~~The following words and terms shall have the following meanings.~~]

(3) [~~(1)~~] "Recognized community college" means a Texas community college or campus of the community college that holds the designation 'Qualifying Educational Credit for the CPA Examination' awarded by the board.

(4) [~~(2)~~] "Extension school" and "correspondence school" [~~correspondence school~~"] means a program within an institution that offers courses that are not equivalent to courses offered in an academic department at the institution and the courses are not listed on an official transcript from the institution.

(5) [~~(3)~~] "Institution" or "Institution of Higher Education" means any U.S. public or private senior college or university which confers a baccalaureate or higher degree to its students completing a program of study required for the degree.

(6) [~~(4)~~] "Independent study" means academic work selected or designed by the student with the pre-approval of the appropriate department or a college or university under faculty supervision. This work typically occurs outside of the regular classroom structure.

(7) [~~(5)~~] "Internship" means faculty pre-approved and appropriately supervised short-term work experience, usually related to a student's major field of study, for which the student earns academic credit.

(8) [~~(6)~~] "Proprietary organization" means a CPA review course provider.

(9) [~~(7)~~] "Quarter [~~credit~~] hour" is the unit of measurement based upon an institution of higher education system that divides the academic year into three equal sessions of 10 to 11 weeks. A quarter [~~credit~~] hour represents proportionately less work than a semester hour because of the shorter session and is counted as 2/3 of a semester credit hour for each hour of credit.

(10) [~~(8)~~] "Reporting institution" means the institution of higher education in the state that serves as the clearinghouse for educational institutions of higher education in Texas. Currently, the University of Texas-Austin is the reporting institution for the state of Texas.

(11) [~~(9)~~] "SACS" means the Southern Association of Colleges and Schools-Commission on Colleges.

~~[(10) "THECB" means the Texas Higher Education Coordinating Board.]~~

(12) [~~(11)~~] "Transcript," "Official Transcript" or "Official Educational Document" means a document prepared by an institution that contains a record of the academic coursework offered by an academic department that a student has taken, grades and credits earned, and degrees awarded. The document is printed on paper bearing a watermark specific to the institution and is embossed with the institution's seal, date and the signature of the Registrar who is responsible for certifying coursework and degrees. The document may be provided electronically from the institution or its authorized agent.

~~[(12) "UCPAE" means the Uniform Certified Public Accountant Examination prepared and graded by the American Institute of Certified Public Accountants.]~~

(13) [~~"Upper Division Accounting Course" or~~] "Upper Level Accounting Course" means at a minimum junior and senior year course work that requires the successful completion of introductory or basic course work before it can be taken.

(14) [~~"Upper Division Business Course" or~~] "Upper Level Business Course" means at a minimum junior and senior year course work that requires the successful completion of introductory or basic course work before it can be taken.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.53

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.53 concerning Evaluation of International Education Documents.

Background, Justification and Summary

The Board proposes one change to reflect the updated name of the office for validating international education documents. The second proposed revision is not substantive but is proposed for a better read.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify the name of the office responsible for reviewing educational achievements and identifies education that will not be accepted for certification.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase

or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.53. Evaluation of International Education Documents.

(a) It is the responsibility of the board to confirm that education obtained at colleges and universities outside of the United States (international education) is equivalent to education earned at board-recognized institutions of higher education in the U.S.

(b) The board shall use, at the expense of the applicant, the services of the University of Texas at Austin, Office of the Admissions [~~Graduate and International Admissions Center,~~] to validate, review, and evaluate international education documents submitted by an applicant to determine if the courses taken and degrees earned are substantially equivalent to those offered by the board-recognized institutions of higher education located in the U.S. The evaluation shall provide the following information to the board:

(1) Degrees earned by the applicant that are substantially equivalent to those conferred by a board-recognized institution of higher education in the U.S. that meets §511.52 of this chapter (relating to Recognized Institutions of Higher Education);

(2) The total number of semester hours or quarter hour equivalents earned that are substantially equivalent to those earned at U.S. institutions of higher education;

(3) The total number of semester hours or quarter hour equivalents earned in accounting coursework that meets §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE);

(4) An analysis of the title and content of courses taken that are substantially equivalent to courses listed in §511.57 of this chapter; and

(5) The total number of semester hours or quarter hour equivalents earned in business coursework that meets §511.58 of this chapter (relating to Related Business Subjects).

(c) The University of Texas at Austin, Office of the Admissions [~~Graduate and International Admissions Center,~~] may use the American Association of Collegiate Registrars and Admissions Officers (AACRAO) material, including the Electronic Database for Global Education (EDGE), in evaluating international education documents.

(d) Other evaluation or credentialing services of international education are not accepted by the board.

(e) Credits may not be awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education [~~may not be used~~] to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

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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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.54

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.54 concerning Recognized Texas Community Colleges.

Background, Justification and Summary

The Board required 30 hours of academic accounting courses in order to become certified up until this last legislative session. The Public Accountancy Act now permits licensure with a bachelor's degree and only 27 hours of academic accounting courses. Revision proposes to revise the Board rule to permit licensure with 150 hours of college coursework with 27 hours of academic

accounting courses in order to be consistent with the bachelor's degree pathway to licensure.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will make it clear that an applicant needs 27 hours of academic accounting work to be certified regardless of which pathway to licensure an applicant pursues.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.54. Recognized Texas Community Colleges

(a) An applicant who has completed a baccalaureate or higher degree from a board recognized institution of higher education based on the requirements of §511.52 of this chapter (relating to Recognized Institutions of Higher Education), may enter into a course of study at a board recognized Texas community college to complete the educational requirements of §§511.57, and 511.58 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE, and Related Business Subjects).

(b) The board recognizes and accepts Texas community colleges that meet board standards for a comprehensive academic program based on the educational requirements of §§511.57, and 511.58 of this chapter.

(c) Effective August 1, 2015, the standards include at a minimum all, but are not limited to, the following:

(1) The Texas community college must be accredited by SACS.

(2) Academic accounting and business courses recognized as meeting §§511.57, and 511.58 of this chapter are deemed by the board as equivalent to upper level coursework at an institution of higher education and must contain a rigorous curriculum that is similar to courses offered in a baccalaureate degree program at a university. Accounting, business, and ethics courses must be developed by a group of full time accounting faculty members and approved by the board prior to offering to students. Modifications to an approved course must be reconsidered by the board prior to offering to students.

(3) Academic courses meeting §§511.57, and 511.58 of this chapter must be taken after completing a baccalaureate degree.

(4) The Texas community college must offer at least:

(A) 27 [~~30~~] semester hours of academic accounting courses meeting §511.57 of this chapter; and

(B) 24 semester hours of academic business courses, to include a three-semester hour ethics course, meeting §511.58 of this chapter.

(5) The Texas community college designates an accounting faculty member(s) who is responsible for:

(A) managing the comprehensive academic program at all campuses;

(B) selecting and training qualified faculty members to teach the program courses and regularly evaluating their effectiveness in the classroom;

(C) establishing and maintaining a rigorous program curriculum;

(D) establishing and maintaining a process for advising and guiding students through the program; and

(E) providing annual updates to the board on the status of the academic program.

(6) Faculty members at a community college recognized and accepted by the board must have the following credentials to teach academic courses meeting §§511.57, and 511.58 of this chapter:

(A) Doctorate or master's degree in the teaching discipline; or

(B) Master's degree with a concentration in the teaching discipline (a minimum of 18 graduate semester hours in the teaching discipline).

(7) At least three-fourths of the faculty members who are responsible to teach academic courses meeting §511.57 of this chapter must hold a current CPA license.

(8) Faculty members will comply with the established educational definitions in §511.51 of this chapter (relating to Educational Definitions).

(9) The Texas community college will provide ongoing professional development for its faculty as teachers, scholars, and CPA practitioners.

(10) The Texas community college will make available to students a resource library containing current online authoritative literature to support the academic courses meeting §§511.57, and 511.58 of this chapter, and will incorporate the online authoritative literature in accounting courses.

(d) A community college recognized and accepted by the board under this provision must be reconsidered by the board on the fifth-year anniversary of the approval. Information brought to the attention of the board by a student or faculty member of the Texas community college that indicates non-compliance with the standards may cause the board to accelerate reconsideration.

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 March 13, 2026.

TRD-202601193

J. Randel (Jerry) Hill

General Counsel

Texas State Board of Public Accountancy

Earliest possible date of adoption: April 26, 2026

For further information, please call: (512) 305-7842

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22 TAC §511.56

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.56 concerning Educational Qualifications under the Act to take the UCPAE.

Background, Justification and Summary

The proposed revision requires the applicant's official transcripts to evidence the completion of the required college course hours to be certified.

The proposed rule revisions also make it clear that in order to be certified the applicant must complete at least 21 semester hours of upper level business courses and a three semester hour ethics course regardless of whether they are being certified under 150 hours or with the bachelor's degree.

The coursework listed in subsection (c)(1) - (4) of this section identifies the coursework that will not satisfy the course work needed to be certified.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify the required coursework to become certified as a CPA in Texas.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.56. Educational Qualifications under the Act to take the UCPAE.

(a) An applicant for the UCPAE under the current Act shall meet the following educational requirements in order to qualify to take the examination:

(1) hold a baccalaureate or graduate degree conferred by an institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) recognized by the board; and

(2) present official transcripts showing the completion of [~~complete~~] at least 120 semester hours or quarter-hour equivalents of courses consisting of:

(A) effective through July 31, 2026, at least 21 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE);

(B) effective August 1, 2026, at least 24 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter; and

(C) at least 21 [~~24~~] semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Related Business Subjects).

(b) An individual holding a baccalaureate degree conferred by a board-recognized institution of higher education, as defined by §511.52 of this chapter, and who has not completed the requirements of this section shall meet the requirements by taking coursework in one of the following ways:

(1) complete upper level or graduate courses at a board-recognized institution of higher education as defined in §511.52 of this chapter that meets the requirements of subsection (a)(2)(A) and (B) of this section; or

(2) enroll in a board-recognized community college as defined in §511.54 of this chapter (relating to Recognized Texas Community Colleges) and complete board approved accounting or business courses that meet the requirements of subsection (a)(2)(A) and (B) of this section. Only specified accounting and business courses that are approved by the board will be accepted as not all courses offered at a community college are accepted.

(c) The following courses, courses of study, certificates, and programs may not be used to meet the 120-semester hour requirement:

(1) remedial or developmental courses offered at an institution of higher education; [~~and~~]

(2) CPA Review coursework offered at an institution of higher education;

(3) additional independent study courses beyond coursework defined in §511.57 of this chapter;

(4) accounting/business course internships beyond coursework defined in §511.58 of this chapter; and

(5) [~~(2)~~] credits may not be awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education [~~may not be used~~] to meet the requirements of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(d) The semester hours from a course that has been repeated will be counted only once toward the requirements of subsection (a)(2) of this section.

(e) An applicant for the UCPAE who met the educational requirements of §511.57 and §511.58 of this chapter that were in effect at the time of examination shall continue to be examined under those requirements unless the applicant elects to meet the current education requirements of the rules, in effect on August 1, 2026.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.57

The Texas State Board of Public Accountancy (Board) proposes a new rule to §511.57 concerning Courses in an Accounting Concentration to Take the UCPAE.

Background, Justification and Summary

The proposed repeal and new rule establishes that the applicant must take a minimum of 12 semester hours of the upper level accounting courses as listed with 3 semester hours of listed courses. In addition to those hours a minimum of 9 hours in the courses listed in the rule is required. Beginning on August 1, 2026 the applicant must take a minimum of 12 hours of additional courses listed in the rule. Courses that will not be accepted as coursework for certifications is specifically identified.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed new rule is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed new rule will implement the revisions made by the last session of the Texas Legislature permitting an applicant to be certified and licensed with a Bachelor's Degree.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the new rule and a Local Employment Impact Statement is not required because the proposed new rule will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed new rule will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the new rule does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the new rule is in effect, the proposed new rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed new rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed new rule.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the new rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed new rule will have an adverse economic effect on small businesses. If the proposed new rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the new rule, describe and estimate the economic impact of the new rule on small businesses, offer alternative methods of achieving the purpose of the new rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed new rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed new rule, including any applicable data, research, or analysis.

Statutory Authority

The new rule is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt new rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed new rule.

§511.57. Courses in an Accounting Concentration to Take the UCPAE.

(a) To take the UCPAE, a minimum of 12 semester hours of upper level accounting courses, with at least three semester hours from each of subparagraphs (1) through (4) of this subsection is required. The courses must meet the board's standards: contain sufficient accounting knowledge and application to be useful to candidates taking the UCPAE; include subject-matter content derived from the UCPAE Blueprint; and must be completed at a board recognized institution of higher education and shown on an official transcript from the institution:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) financial statement auditing;

(3) taxation; and

(4) accounting information systems or accounting data analytics.

(b) In addition to subsection (a) of this section, effective through July 31, 2026, a minimum of 9 semester hours in any of the following accounting course content areas is required; effective August 1, 2026, a minimum of 12 semester hours in any of the following accounting course content areas is required:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) advanced accounting;

(3) accounting theory;

(4) managerial or cost accounting (excluding introductory level courses);

(5) auditing and attestation services;

(6) internal accounting control and risk assessment;

(7) financial statement analysis;

(8) accounting research and analysis;

(9) taxation (including tax research and analysis);

(10) financial accounting and reporting for governmental and/or other nonprofit entities;

(11) accounting information systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;

(12) accounting data analytics;

(13) fraud examination;

(14) international accounting and financial reporting;

(15) mergers and acquisitions;

(16) financial planning;

(17) at its discretion, the board may accept up to three semester hours of credit of accounting course work with substantial merit in the context of a career in public accounting, provided the course work is predominantly accounting or auditing in nature but not included in paragraphs (1) - (16) of this subsection. For any course submitted under this provision, the Accounting Faculty Head or Chair must affirm to the board in writing the course's merit and content; and

(18) at its discretion, the board may accept up to three semester credit hours of independent study in accounting selected or designed by the student under faculty supervision. The curriculum for the course shall not repeat the curriculum of another accounting course that the student has completed.

(c) The semester hours from a course that has been repeated will be counted only once toward the required semester hours.

(d) The following types of introductory courses do not meet the accounting course definition in subsections (a) and (b) of this section:

(1) elementary accounting;

(2) principles of accounting;

(3) financial and managerial accounting;

(4) introductory accounting courses; and

(5) accounting software courses.

(e) Any CPA review course offered by an institution of higher education or a proprietary organization shall not be used to meet the accounting course requirement.

(f) CPE courses shall not be used to meet the accounting course requirement.

(g) An ethics course required in §511.58(c) of this chapter (relating to Related Business Subjects) shall not be used to meet the accounting course requirement in subsections (a) and (b) of this section.

(h) Accounting courses completed through an extension school of a board recognized educational institution may be accepted by the board provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(i) The board may review the content of accounting courses and determine if they meet the requirements of this section.

(j) Credits may not be awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) Straighterline.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.58

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.58 concerning Related Business Subjects.

Background, Justification and Summary

This proposed revision accepts an academic course in accounting/business software from an institution of higher education for purposes of satisfying the academic courses required to be certified.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will provide a licensee with training in an area that will benefit their clients.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-busi-

nesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.58. Related Business Subjects.

(a) Related business courses are those business courses that a board recognized institution of higher education accepts for a business baccalaureate or higher degree by that educational institution.

(b) The board will accept a minimum of 21 semester credit hours of upper level courses (for the purposes of this subsection, economics and statistics at any college level will count as upper level courses) as related business subjects, taken at a recognized educational institution shown on official transcripts or accepted by a recognized educational institution for purposes of obtaining a baccalaureate degree or its equivalent, in the following areas.

(1) business law, including study of the Uniform Commercial Code;

(2) economics;

(3) management;

(4) marketing;

(5) business communications;

(6) statistics and quantitative methods;

(7) information systems, [~~or~~] technology or accounting/business software;

(8) finance and financial planning;

(9) data analytics, data interrogation techniques, cyber security and/or digital acumen in the accounting context;

(10) no more than 6 credit semester hours of upper level business or accounting internship taken at a Board recognized educational institution of higher education; and

(11) other areas related to accounting.

(c) The Board requires a three semester hour accounting or business ethics course that includes a framework of ethical reasoning, including the core values of integrity, objectivity, and independence, professional values, and attitudes for exercising professional skepticism and other behavior in the best interest of the public and profession and shall include the ethics rules of the AICPA and the SEC. The course may be taken to meet the education requirements of §511.56 of this chapter (related to Educational Qualifications under the Act to take the UCPAE); or the certification requirements of §511.59 of this chapter (related to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours); or §511.164 of this chapter (related to Qualifications for Issuance of a Certificate with not Fewer than 150 Semester Hours).

(d) The board may review the content of business courses and determine if they meet the requirements of this section.

(e) Credit for hours taken at recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system.

(f) A course that was repeated will be counted only once to meet the requirements of this section.

(g) Related business courses completed through and offered by an extension school, correspondence school, or continuing education program of a board recognized educational institution may be accepted by the board, provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(h) Credits may not be awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education [~~may not be used~~] to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

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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J. Randel (Jerry) Hill
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22 TAC §511.59

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.59 concerning Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours.

Background, Justification and Summary

Paragraph (d) of this proposed revision identifies courses that will not be accepted for purposes of certification by an applicant with 120 hours.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will assist the applicant knowing which classes may not count toward obtaining a certificate.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.59. Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours.

(a) Effective August 1, 2026, an applicant who meets the education requirements of §§511.56, 511.57 and 511.58 of this chapter (relating to Educational Qualifications under the Act to take the UCPAE, Courses in an Accounting Concentration to take the UCPAE, and Related Business Subjects), may elect to qualify for CPA certification by completing the requirements in subsections (b) and (c) of this section.

(b) An applicant for CPA certification under this section shall complete upper level accounting courses as defined by §511.57 of this chapter equal to or in excess of 27 semester hours or quarter-hour equivalents of upper level accounting courses.

(c) The work experience shall be at least two years of full time, non-routine accounting experience as defined by §511.122 and §511.123 of this chapter (relating to Acceptable Work Experience and Reporting Work Experience) and supervised by a CPA as defined by §511.124 of this chapter (relating to Acceptable Supervision).

(d) The following courses, courses of study, certificates, and programs may not be used to meet the certification requirement:

(1) remedial or developmental courses offered at an institution of higher education;

(2) CPA Review coursework offered at an institution of higher education;

(3) additional independent study courses beyond coursework defined in §511.57 of this chapter; and

(4) accounting/business course internships beyond coursework defined in §511.58 of this chapter.

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

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Texas State Board of Public Accountancy
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22 TAC §511.57

The Texas State Board of Public Accountancy (Board) proposes a repeal to §511.57 concerning Courses in an Accounting Concentration to Take the UCPAE.

Background, Justification and Summary

The proposed repeal and new rule establishes that the applicant must take a minimum of 12 semester hours of the upper level accounting courses as listed with 3 semester hours of listed courses. In addition to those hours a minimum of 9 hours in the courses listed in the rule is required. Beginning on August 1, 2026 the applicant must take a minimum of 12 hours of additional courses listed in the rule. Courses that will not be accepted as coursework for certifications is specifically identified.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed rule repeal is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the rule repeal.

Public Benefit

The adoption of the proposed rule repeal will implement the revisions made by the last session of the Texas Legislature permitting an applicant to be certified and licensed with a Bachelor's Degree.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the rule repeal and a Local Employment Impact Statement is not required because the proposed rule repeal will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed rule repeal will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the rule repeal does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the rule repeal is in effect, the proposed rule repeal: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule repeal.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule repeal is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed rule repeal will have an adverse economic effect on small businesses. If the proposed rule repeal is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule repeal, describe and estimate the economic impact of the rule repeal on small businesses, offer alternative methods of achieving the purpose of the rule repeal; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule repeal is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule repeal, including any applicable data, research, or analysis.

Statutory Authority

The rule repeal is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to repeal rules deemed necessary or advisable to effectuate the Act.

No other article, statute or code is affected by this proposed rule repeal.

§511.57. Courses in an Accounting Concentration to Take the UCPAE.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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SUBCHAPTER D. CPA EXAMINATION

22 TAC §511.72

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.72 concerning Uniform Examination.

Background, Justification and Summary

The American Institute of CPAs has made some changes to the UCPAE. As a result, the disciplines included on the UCPAE have been revised. This proposed rule revision recognizes these revisions.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will make available to the applicant the disciplines that will be tested on the UCPAE.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.72. Uniform Examination.

(a) The board shall contract with NASBA for the administration of the UCPAE, in conjunction with the AICPA and a test vendor. The examination shall be offered as determined by the AICPA, NASBA, and the testing vendor. The examination may be offered at the following locations provided they are secure, approved and monitored by the board or its designee and the testing vendor:

(1) at the board's office; and

(2) at testing facilities established by NASBA and the testing vendor.

(b) The board shall utilize the UCPAE available from the AICPA covering the following sections until such time as the UCPAE is restructured by the AICPA:

(1) auditing and attestation (AUD);

~~[(2) business environment and concepts;]~~

~~[(3) regulation; and]~~

(2) [~~(4)~~] financial accounting and reporting (FAR);

(3) taxation and regulation (REG);

(4) business analysis and reporting (BAR);

(5) information systems and controls (ISC); and

(6) tax compliance and planning (TCP).

(c) If the UCPAE is restructured by the AICPA, the board shall utilize the UCPAE available from the AICPA that tests the knowledge and skills required for performance as a newly licensed certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the board may require. The board shall determine the manner in which credit for a subject is integrated into the new structure.

~~[(d) Effective January 1, 2024, the board shall utilize the UCPAE available from the AICPA covering the following sections:]~~

~~[(1) auditing and attestation (AUD);]~~

~~[(2) business analysis and reporting (BAR);]~~

~~[(3) financial accounting and reporting (FAR);]~~

~~[(4) information systems and controls (ISC);]~~

~~[(5) taxation and regulation (REG); and]~~

~~[(6) tax compliance and planning (TCP).]~~

(d) [~~(e)~~] An applicant taking a section of the UCPAE shall pay an examination fee to NASBA, when required by NASBA, and an eligibility fee to the board pursuant to §521.14 of this title (relating to Eligibility Fee).

(e) [~~(f)~~] An applicant taking the examination is required to have in their possession the Notice to Schedule form provided by NASBA, and a government-issued form of identification containing a photograph of the applicant[~~, and a second form of identification such as a board-issued form~~].

(f) [~~(g)~~] An applicant taking the examination shall sign a statement of confidentiality and conduct which the applicant must follow during the entire examination.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.73

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.73 concerning Notice to Applicant to Schedule Taking a CPA Exam Section.

Background, Justification and Summary

The effective date in paragraph (a) has expired and is no longer necessary in the rule.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will avoid possible confusion in reading the board's rules.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small busi-

nesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.73. Notice to Applicant to Schedule Taking a CPA Exam Section.

(a) Upon [~~Effective January 1, 2024, and upon~~] approval of the eligibility application, the board shall inform an examination applicant that they have 180 days from the date of approval in which to take a section of the UCPAE.

(b) An applicant is required to pay an examination fee to NASBA for the examination section for which the applicant has applied.

(c) After payment of the examination fee, an applicant is required to schedule with the test vendor to take the section at a board-approved location.

(d) An applicant who fails to pay the required examination fee to NASBA or fails to take a section of the UCPAE within the 180-day eligibility period must reapply to the board and pay the required fees to establish a new eligibility period.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.77

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.77 concerning Scoring.

Background, Justification and Summary

The UCPAE is no longer given quarterly. The proposed rule revision reflects that the testing as events. Replacing the word "communications" with "response" more accurately reflects the content of the UCPAE.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The proposed rule amendment will avoid misunderstandings.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.77. Scoring.

(a) Scoring of the UCPAE shall be performed by the AICPA, subject to the approval of the board. An applicant must earn a minimum passing score established through a psychometrically acceptable standard-setting procedure approved by the board. The minimum score is 75. The board shall establish a method for accurately tracking and recording an applicant's score. An applicant will be notified of the score no later than the 30th day after the day on which the board receives the applicant's score from NASBA, unless board action is pending; in which case, the applicant is precluded from receiving the UCPAE score until the board action is resolved. In no event will any information concerning the applicant's performance on the UCPAE be released to anyone other than the applicant unless the applicant has delivered written authorization to the board.

(b) An applicant may request a score review of the UCPAE results from the most recent testing event [~~quarter~~] established by the AICPA and shall pay the fee associated with the score review.

(c) Applicants are advised ahead of time that fewer than 1% of all requested score reviews, since the inception of the UCPAE computer-based testing, have resulted in a change to a score.

(d) The UCPAE results are subject to routine quality controls and are scored twice by the AICPA before scores are released to the board. The score review is a verification that the approved answer key was applied correctly to the UCPAE section and that the written response [~~communications~~] questions were scored. The score review is not:

(1) A regrading of the UCPAE section;

(2) An opportunity to find additional points;

(3) An opportunity to review content; or

(4) An opportunity to have an alternate response considered.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.80

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.80 concerning Granting of Credit.

Background, Justification and Summary

An applicant's passing score on any section of the UCPAE is good for 30 months from the notification date of passing the UCPAE but this period can be extended if the Executive Director extends the credit based upon unforeseeable or uncontrollable events. With the effective date of August 31, 2026 an applicant for CPA certification under §511.59 of this chapter has 36 months to meet the education requirements for certification otherwise the exam results will expire.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will help the applicants and the public understand that passing scores on the exam may expire if the applicant fails to pass all part within the established time.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505

E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.80. Granting of Credit.

(a) Upon earning a passing score on the following sections as determined by board rule, the board shall grant credit for the satisfactory completion of the following sections of the UCPAE:

(1) auditing and attestation (AUD);

(2) financial accounting and reporting (FAR);

(3) taxation and regulation (REG); and

(4) one of the following discipline sections:

(A) business analysis and reporting (BAR);

(B) information systems and controls (ISC); or

(C) tax compliance and planning (TCP).

[(a) The board shall grant credit to an applicant for the satisfactory completion of a section of the UCPAE provided the applicant earns a passing score on the section as determined by board rule. The credit shall be valid for 30 months from the actual date of notification of passing score results. The 30 months may be temporarily extended by the executive director, in accordance with §901.307(b) of the Act (relating to Grading Examination), in order to provide for uniformity with other state regulatory authorities or for reasonably unforeseeable or uncontrollable events.]

(b) The credit shall be valid for 30 months from the actual date of notification of passing score results. The 30 months may be temporarily extended by the executive director, in accordance with §901.307(b) of the Act (relating to Grading Examination), in order to provide for uniformity with other state regulatory authorities or for reasonably unforeseeable or uncontrollable events. Unforeseeable and uncontrollable events include, but are not limited to, the health of the applicant, accidents limiting the applicant, military service, natural disasters, or acts of God to meet the vendor requirements of §511.87 of this chapter (relating to Loss of Credit).

(c) [(b)] An applicant must pass the remaining sections within the next 30 months. Should an applicant's exam credit be invalidated due to the expiration of 30 months without earning credit on the remaining sections, the applicant remains qualified to take the examination.

(d) [(c)] An applicant receiving and retaining credit for every section on the UCPAE, within a 30-month period, shall be considered by the board to have completed the examination and may make application for certification as a CPA.

(e) [(d)] An [Effective January 1, 2024, an] applicant under this section shall have 36 months from the time all test sections are passed to meet the education requirements of §511.164 of this chapter (relating to Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours [Definition of 150 Semester Hours to Qualify for Issuance of a Certificate]) or the credit for all test sections will expire.

[(e) Effective January 1, 2024, an applicant who has an active credit on a section of the UCPAE shall have earned credit on the newly structured UCPAE as follows:]

[(1) credit on auditing and attestation (AUD) shall transition to auditing and attestation (AUD);]

[(2) credit on financial accounting and reporting (FAR) shall transition to financial accounting and reporting (FAR);]

[(3) credit on regulation (REG) shall transition to taxation and regulation (REG); and]

[(4) credit on business environment and concepts (BEC) shall not transition to a specific discipline as there is not an equivalent section, however, credit will be retained in lieu of a discipline.]

(f) Effective August 1, 2026, an applicant under this section shall have 36 months from the time all test sections are passed to meet the education requirements of §511.59 of this chapter (relating to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours) or the credit for all test sections will expire.

[(f) Effective January 1, 2024, the Board shall grant credit to an applicant for the satisfactory completion of the following sections of the UCPAE provided the applicant earns a passing score on the section as determined by board rule. The credit shall be valid for 30 months from the actual date of notification of passing score results:]

[(1) auditing and attestation (AUD);]

[(2) financial accounting and reporting (FAR);]

[(3) taxation and regulation (REG); and]

[(4) one of the following discipline sections:]

[(A) business analysis and reporting (BAR);]

[(B) information systems and controls (ISC); or]

[(C) tax compliance and planning (TCP).]

(g) An applicant who has received and retained credit for any or all sections on the UCPAE may transfer such credits to another licensing jurisdiction if the applicant pays in advance a transfer fee set by board rule as identified in §521.7 of this title (relating to Fee for Transfer of Credits).

(h) If the UCPAE is restructured by the AICPA, the board shall determine the manner in which active credit earned prior to the restructure for a subject is integrated into the new UCPAE.

[(i) Credits earned between January 1, 2020 and January 1, 2024 that are no longer valid may be considered for reinstatement for not more than 18 months from the date that reinstatement occurs. The following conditions are required:]

[(1) the applicant was impacted by an unforeseeable and uncontrollable event; and]

[(2) the applicant provides documentation to substantiate the unforeseeable and uncontrollable event.]

[(j) Interpretive Comment: For the purpose of this section unforeseeable and uncontrollable events include, but are not limited to, the health of the applicant, accidents limiting the applicant, military service, natural disasters, or acts of God.]

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.82

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.82 concerning Application for Transfer of Credits.

Background, Justification and Summary

An applicant wishing to transfer credits on the exam earned in another jurisdiction has 36 months to demonstrate that they have completed the education required to become licensed in Texas.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will help applicants attempting to transfer exam credits from another jurisdiction to be aware of a time limitation to provide the board with evidence of their education.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.82. Application for Transfer of Credits.

(a) An applicant who has satisfactorily completed all or part of the UCPAE given by the licensing authority of another jurisdiction may make application to the board for the transfer of the credits provided:

(1) the examination was prepared and scored by the AICPA;

(2) the credits are active in the state of origin; and

(3) the applicant meets the requirements in effect in the state of origin at the time credit was earned so long as the state's standards are equal to or higher than those prescribed in the Act.

(b) The application shall be made on a form prescribed by the board, accompanied by the requisite fee set by the board and identified in §521.7 of this title (relating to Fee for Transfer of Credits). An applicant must also ensure that the board receives necessary documents from the licensing authority of another jurisdiction related to the applicant along with the scores made and credits earned by the applicant on all UCPAE that were taken under the jurisdiction of the licensing authority.

(c) An applicant must meet all of the eligibility requirements of the Act and board rules at the time credits were earned on the UCPAE.

(d) An applicant approved to transfer partial credits must then apply for the UCPAE.

(e) An applicant approved to transfer credits shall have 36 months from the time all test sections are passed to [~~must~~] provide evidence of the completion of the education requirements of §511.164 of this chapter (relating to Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours) or effective August 1, 2026 meet the education requirements of §511.59 of this chapter (relating to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours) or the credit for all test sections will expire. [~~of a three-semester hour board-approved ethics course prior to issuance of the CPA certificate.~~]

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 March 13, 2026.

TRD-202601202
J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.83

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.83 concerning Granting of Credit by Transfer of Credit.

Background, Justification and Summary

Clarifying that an applicant has 36 months after passing the CPA exam to meet the education requirements of §511.59 or §511.164.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The proposed rule amendment will help the applicants and the public understand that passing scores on the exam may expire if the applicant fails to pass all part within the established time.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the

Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.83. Granting of Credit by Transfer of Credit.

(a) In order for the board to grant credit to an applicant for partial completion of the UCPAE given by the licensing authority of another jurisdiction the applicant must have met the following requirements:

(1) earned a score of 75 or higher on any section of the examination;

(2) was awarded credit by the licensing authority of another jurisdiction for the section(s) taken while an applicant of that board; and

(3) the credit awarded by the licensing authority of another jurisdiction has not expired.

(b) If the board accepts transfers of credit, it will also accept transfers of credit for sections passed at subsequent examinations.

(c) The grades made by an applicant on sections under consideration must be the ones reported to the licensing authority of another jurisdiction by the AICPA through NASBA.

(d) An applicant allowed credit for each section passed must pass the remaining section(s) within the next 30 months from the date credit was awarded or forfeit credit received for that section.

(e) An [~~Effective January 1, 2024, an~~] applicant under this section shall have 36 months from the time all test sections are passed to meet the education requirements of §511.164 of this chapter (relating to Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours [~~Definition of 150 Semester Hours to Qualify for Issuance of a Certificate~~]) or effective August 1, 2026 to meet the education requirements of §511.59 of this chapter (relating to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours) or the credit for all test sections will expire.

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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J. Randel (Jerry) Hill
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Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.87

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.87 concerning Loss of Credit.

Background, Justification and Summary

An applicant for certification whose exam credits have expired may seek reinstatement of those credits by demonstrating to the executor director uncontrollable and unforeseen circumstances caused those credits to expire. The applicant must seek reinstatement within 90 days of the credits expiration.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The proposed rule amendment will make the public and applicants aware of the opportunity for reinstatement of expired credits and how they may be reinstated.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board

may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.87. Loss of Credit.

(a) An applicant having earned credit under this Act or a prior Act and who has two testing quarters remaining before the expiration of credits earned shall be notified prior to each UCPAE of these facts.

(b) An applicant failing to receive credit for all sections within the time limitation of this Act shall be notified that credits have expired.

(c) The expiration of credits shall not hinder an applicant from reapplying for the examination.

(d) Within 90 days of the date of expiration, the executive director may consider reinstatement of expired credits, provided the applicant substantiated unforeseeable and uncontrollable extreme hardship event(s), including:

(1) the health of the applicant;

(2) serious illness or death of an applicant's immediate family, that includes a spouse, child, sibling or parent;

(3) accidents limiting the applicant;

(4) military service; or

(5) natural disasters that contributed to the expiration of credits.

~~[(d) Credits earned between January 1, 2020 and January 1, 2024 that are no longer valid may be considered for reinstatement for not more than 18 months from the date that reinstatement occurs. The following conditions are required:]~~

~~[(1) the applicant was impacted by an unforeseeable and uncontrollable extreme hardship event; and]~~

~~[(2) the applicant provides documentation to substantiate the unforeseeable and uncontrollable event.]~~

(e) An extreme hardship event that limits the applicant is defined as:

(1) a serious illness of an applicant or member of the immediate family, which includes a spouse, child, sibling or parent;

(2) death of an immediate family member; or

(3) accidents that impacts the applicant.~~[;]~~

~~[(4) military service of the applicant; or]~~

~~[(5) natural disasters that impacts the applicant.]~~

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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J. Randel (Jerry) Hill
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Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.94

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.94 concerning Documentation of the Need for an Accommodation.

Background, Justification and Summary

A proposed revision to the rule to make it clear that an applicant, who qualifies, may seek an accommodation in taking the UCPAE from the Board.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will be instructive to applicants to take the UCPEA exam of the Board's consideration of accommodations for those persons that qualify.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.94. Documentation of the Need for an Accommodation.

(a) Requirements of an applicant requesting accommodation.

(1) To protect the integrity of the testing process, the board requires documentation of the existence of a disability and reason the requested accommodation is necessary to provide the applicant with an equal opportunity to exhibit his/her knowledge, skills, and ability through the examination.

(2) An applicant requesting an accommodation shall have the professional certifying to the disability provide all of the information listed in subsection (c) of this section. For subsequent examinations, the applicant who was earlier provided an accommodation by the board shall submit a statement from the professional who previously certified to the disability condition stating that the disability condition has not changed to the extent that it would require a modification to the accommodation previously provided. The applicant is responsible for any costs involved in providing this documentation.

(3) An evaluation and documentation supporting a disability shall be valid for five [~~three~~] years from the date submitted to the board, except that no further documentation shall be required where the evaluation clearly states that the disability will not change in the future.

(b) Additional requirements for an applicant with a learning disability.

(1) The applicant shall demonstrate:

(A) at least average overall intellectual functioning as measured by general cognitive ability tests; and

(B) evidence of a significant impairment in one or more of the following areas of intellectual functioning and information processing:

(i) attention and concentration;

(ii) efficiency and speed of information processing;

(iii) reception (perception and verbal comprehension);

(iv) memory (ability for new learning);

(v) cognition (thinking); and

(vi) expression.

(2) Significant impairment is generally determined by a discrepancy of 1.5 standard deviations, or more, between the applicant's intellectual functioning, as measured by general cognitive ability tests, and actual performance on reliable standardized measures of attention and concentration, memory, language reception and expression, cognition, as well as academic areas of reading, spelling, writing, and mathematics.

(3) Further, determination of the learning disability shall be based on reliable standardized psychometric tests of achievement and ability and a complete clinical history including medical, family, developmental, educational and occupational information.

(c) Information required to evaluate disabilities. An applicant who requests an accommodation and/or an auxiliary aid shall provide the board with the necessary information to evaluate the request. The board shall evaluate each request on a case-by-case basis. The following information is required to support requests for an accommodation and/or auxiliary aid:

(1) identification of the type of disability (physical, mental, learning);

(2) credential requirements of the evaluator:

(A) For physical or mental disabilities (not including learning), the evaluator shall be a licensed physician or psychologist with special expertise in the area of the disability. If someone else who does not fit these criteria completes the evaluation, the board may reject the unqualified evaluation and require another evaluation by a professional of its choosing, and the request may be delayed.

(B) In the case of learning disabilities, a qualified evaluator shall have sufficient experience to be considered qualified to evaluate the existence of learning disabilities and proposed accommodations needed for specific learning disabilities. The evaluator shall be one of the following:

(i) a licensed physician or psychologist who possesses a minimum of three years experience working with adults with learning disabilities, and who has training in all of the areas described in clause (ii) of this subparagraph; or

(ii) another professional who possesses a master's or doctoral degree in special education or educational psychology from an accredited institution, defined as being accredited or an applicant for accreditation, identified by the American Association of Collegiate Registrars and Admissions Officers, and who has at least three years of equivalent training and experience in all of the areas described in subclauses (I) - (IV) of this clause:

(I) assessing intellectual ability level and interpreting tests of such ability;

(II) screening for cultural, emotional, and motivational factors;

(III) assessing achievement level; and

(IV) administering tests to measure attention and concentration, memory, language reception and expression, cognition, reading, spelling, writing, and mathematics.

(3) Professional verification of the disability, which shall include:

(A) the nature and extent of the disability;

(B) the test(s) performed to diagnose the disability, if applicable;

(C) the effect of the disability on the applicant's ability to perform under standard testing conditions;

(D) the recommended accommodation and how it relates to the applicant's disability, given the format of the examination;

(E) the professional's name, title, telephone number, professional license or certification number, educational credential, and his/her original signature; and

(F) a description of the professional's educational experience which qualifies him/her to make the 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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.97

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.97 concerning Examination of Applicant Approved with Accommodation.

Background, Justification and Summary

An applicant to take the UCPAE upon having received an accommodation to take the UCPAE must reimburse the Board for any charges the Board incurs as a result of the accommodations if the applicant fails to appear or cancels, or reschedules the exam without providing at least four days notice.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will put applicants on notice of incurring the costs of accommodations provided at their request when they failed to appear or cancels or reschedules without providing at least four days prior notice.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the

Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.97. Examination of Applicant Approved with Accommodation.

(a) A listing of available accommodations shall be provided to the board by NASBA.

(b) If the board approves the applicant's request for accommodation, the board will notify the applicant and NASBA not less than 30 days prior to the date that the applicant may test.

(c) Upon arrival at the testing center the applicant may not delete accommodations or add accommodations to those the board has authorized.

(d) There will be no additional fee charged to any candidate for an accommodation approved by the board under this rule.

(e) An applicant who is authorized to have accommodations on the UCPAE, and cancels and/or reschedules the exam with the testing vendor within four business days or less, is required to reimburse the board for the costs for accommodations that were not utilized by the applicant.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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SUBCHAPTER E. VENDOR REQUIREMENTS

22 TAC §511.107

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.107 concerning No-Show, Late Arrival and Late Cancellation.

Background, Justification and Summary

An applicant to take the UCPAE will be charged a testing fee if the applicant makes a request to cancel or reschedule less than 60 days prior to the UCPAE. This in addition to being charged at testing fee if they provide less than 6 days prior to the scheduled testing.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will put applicants on notice of the additional fees for not notifying the testing centers in advance.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the

Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.107. No-Show, Late Arrival and Late Cancellation.

(a) An applicant is not eligible for a refund of the hourly testing fee if the applicant:

(1) fails to appear for a scheduled section of the UCPAE;

(2) arrives more than 30 minutes after the scheduled start time for taking the section of the UCPAE and is refused admission to the exam; or

(3) changes or cancels a section of the UCPAE after the applicable Test Cancellation/Change Deadline.

(b) An applicant may be charged a reasonable fee for a rescheduled exam or cancellation.

(1) An applicant who requests a change in scheduling or cancellation 60 [~~30~~] or more days prior to the original day of testing will not be charged an additional fee.

(2) An applicant who requests a change in scheduling or cancellation from 59 [~~29~~] to six days prior to the original day of testing will be charged an additional fee set by the test vendor. The applicant must make direct contact by noon of the fifth business day before the day of the exam with personnel at the call center or through the vendor's website. Leaving a message on a recorder or a voice mail is not sufficient to confirm a change or cancellation.

(3) An applicant who requests a change in scheduling or cancellation less than six days prior to the original day of testing will be charged an additional fee equal to the amount of the full test fee.

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

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J. Randel (Jerry) Hill
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Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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SUBCHAPTER F. EXPERIENCE REQUIREMENTS

22 TAC §511.122

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.122 concerning Acceptable Work Experience.

Background, Justification and Summary

Addresses the needs of acceptable work experience and requires the work experience necessary to be certified as supervised, evaluated and reviewed by a CPA. It also expresses the need to have received continuous independent thought on important accounting matters. There are also non-substantive grammatical changes proposed. It also addresses the expected work experience standards of an applicant reviewing accounting experiencing in a law firm providing accounting legal advices.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will provide greater direction to the applicant as to what is required of an applicant to become certified.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small busi-

nesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.122. Acceptable Work Experience.

(a) Work experience shall be supervised, evaluated and reviewed by a CPA who is [~~gained under the supervision of CPAs who are~~] currently licensed and in good standing with this board or with another state board of accountancy as defined in §511.124 of this chapter (relating to Acceptable Supervision), and who is experienced in the non-routine accounting area assigned to the applicant.

(b) Non-routine accounting involves attest services as defined in §501.52(4) of this title (relating to Definitions), or professional accounting services or professional accounting work as defined in §501.52(22) of this title, and continually requires the use of independent thought and judgment on important accounting matters, applying professional accounting knowledge and skills to select, correct, organize, interpret, and present real-world data as accounting entries, reports, statements, and analyses extending over a diverse range of tax, accounting, assurance, and control situations.

(c) Acceptable work experience shall be gained in the following categories or in any combination of these:

(1) Client practice of public accountancy. Work experience gained through [~~All client practice of public accountancy experience shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and the applicant is supervised, evaluated and reviewed by a CPA who is currently licensed and in good standing in~~] a properly licensed CPA firm that is in good standing with the firm's licensing board.

(2) Unlicensed business entity. Work experience gained in an unlicensed business entity [~~shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and the applicant is supervised, evaluated and reviewed by a CPA who is currently licensed and in good standing. Unlicensed business entity experience~~] may include, but is not limited to:

(A) providing management or financial advisory or consulting services;

(B) preparing tax returns;

(C) providing advice in tax matters;

(D) providing forensic accounting services;

(E) providing internal auditing services; and

(F) business valuation services.

(3) Industry practice. Work [~~All work~~] experience gained in industry shall be internal to the organization [~~and of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters~~] and may include: providing management or financial advisory internal services; preparing tax returns; providing advice in tax matters; providing forensic accounting services; and providing internal auditing services.

(A) Examples of industries may include, but are not limited to:

(i) commercial business enterprise;

(ii) non-profit/charitable organization;

(iii) financial institution; and

(iv) health care entity.

(B) Acceptable industry work experience positions may include, but are not limited to:

(i) internal auditor;

(ii) staff, senior, fund or tax accountant;

(iii) accounting, financial or accounting systems analyst; and

(iv) controller.

(4) Government practice. Work [~~All work~~] experience gained in government shall meet [~~be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and which meets~~] the criteria in subparagraphs (A) - (E) of this paragraph. The board will review on a case-by-case basis experience which does not clearly meet the criteria identified in subparagraphs (A) - (E) of this paragraph. Acceptable government work experience includes, but is not limited to:

(A) employment in state government as an accountant or auditor at Salary Classification B14 or above, or a comparable rating;

(B) employment in federal government as an accountant, auditor or IRS revenue agent;

(C) employment as a special agent accountant with the Federal Bureau of Investigation or equivalent position at a governmental entity;

(D) military service, as an accountant or auditor as a Second Lieutenant or above; and

(E) employment with other governmental entities as an accountant or auditor.

(5) Law firm practice.

(A) Internal work experience gained at a law firm may include: providing management or financial advisory internal services; preparing tax returns; providing advice in tax matters; providing forensic accounting services; and providing internal auditing services.

(B) Work [~~All work~~] experience gained as an attorney in a law firm shall be [~~of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters~~] comparable to the experience ordinarily found in a CPA firm;[~~,~~] shall be under the supervision of a CPA or an attorney;[~~,~~] and shall be in one or more of the following areas:

(i) [~~(A)~~] tax-planning, compliance and litigation; and

(ii) [~~(B)~~] estate planning.

(6) Education.

(A) Internal work experience gained at an educational institution [~~shall be of a non-routine accounting nature which continually requires independent thought and judgment on important accounting matters and~~] may include: providing management or financial advisory internal services; preparing tax returns; providing advice in tax matters; providing forensic accounting services; and providing internal auditing services [~~without an opinion.~~].

(B) Work experience gained as an instructor at an educational institution may qualify if evidence is presented showing independent thought and judgment was used on non-routine accounting matters. Only the teaching of upper level accounting [~~division~~] courses on a full-time basis may be considered. All experience shall be supervised by the department chair or a faculty member who is a CPA.

(7) Internship. The board will consider, on a case-by-case basis, experience acquired through an approved accounting internship program, provided that the experience was non-routine accounting as defined by subsection (b) of this section.

(8) Other. Work experience gained in other positions may be approved by the board as experience comparable to that gained in the practice of public accountancy under the supervision of a CPA upon certification by the person or persons supervising the applicant that the experience was of a non-routine accounting nature which continually required independent thought and judgment on important accounting matters.

(9) Self-employment may not be used to satisfy the work experience requirement unless 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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.123

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.123 concerning Reporting Work Experience.

Background, Justification and Summary

The proposed rule revision details the work experience provided by an applicant with 150 course work hours as opposed to an applicant seeking certification with a bachelor's degree. The applicant with 150 hours of course work requires 12 months of work experience and the applicant with a bachelor's degree and less than 150 hours, effective August 1, 2026, requires two years of work experience. Part time work for the applicant with a bachelor's degree must obtain 4,000 hours of work experience in no more than 48 months.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will help the applicants wishing to become certified to know the requirements required of an applicant with a bachelor's degree and those applicants with 150 hours of coursework.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods

of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.123. Reporting Work Experience.

(a) To meet the work experience requirements of §511.164 of this chapter (relating to Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours), the [~~The~~] board requires a minimum of one year of full-time work experience completed in no less than 12 months [~~work experience~~] as described in §511.122 of this chapter (relating to Acceptable Work Experience) which shall be obtained in one of the following ways:

(1) full-time employment consisting of 40 or more hours per week [~~completed in no less than 12 months~~]; or

(2) part-time employment consisting of a minimum of 20 hours per week until 2000 hours of accounting work experience have been completed. Part-time work experience must be completed in no more than 24 months from the date the work begins.

(b) Effective August 1, 2026, to meet the work experience requirements of §511.59 of this chapter (relating to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours) the board requires a minimum of two years of full-time work experience completed in no less than 24 months as described in §511.122 of this chapter which shall be obtained in one of the following ways:

(1) full-time employment consisting of 40 or more hours per week; or

(2) part-time employment consisting of a minimum of 20 hours per week until 4,000 hours of accounting work experience have been completed. Part-time work experience must be completed in no more than 48 months from the date the work begins.

(c) [~~(b)~~] All work experience presented to the board for consideration shall be accompanied by the following items:

(1) a statement from the supervising CPA describing the non-routine work performed by the applicant and a description of the important accounting matters requiring the applicant's independent thought and judgment;

(2) a statement from the supervising CPA describing the type of experience that the CPA possesses which qualifies the CPA to supervise the applicant; and

(3) a statement from the supervising CPA that the applicant has demonstrated professional competence; and

(4) [~~(3)~~] an affidavit from the supervising CPA stating that [~~he has supervised~~] the applicant's work was supervised; and it is the opinion of the CPA [~~offers his opinion~~] that the applicant is qualified to perform all the accounting related work assigned to the applicant in accordance with the professional standards required by the board as defined in §501.62 of this title (relating to Other Professional Standards).

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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22 TAC §511.124

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.124 concerning Acceptable Supervision.

Background, Justification and Summary

The proposed rule revision makes it clear that the firm the applicant is working for must be certified as a firm in order to provide acceptable work experience. It also clarifies that the firm the applicant works for may engage a CPA firm to supervise attest to an applicant's experience requirements when the firm does not directly employ a CPA to supervise the applicant. It makes it clear that it is the responsibility of the applicant and CPA to assure that the supervision was compliant with board requirements.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will be helpful to the applicant to be certified to understand what acceptable supervision constitutes to be the experience requirement to be certified.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.124. Acceptable Supervision.

(a) Acceptable supervision must be performed by a CPA experienced in the non-routine accounting area assigned to an applicant and who holds an active license or permit in this state or another state and has not been exempted from the board's CPE during the period of supervision. If the applicant's work experience and CPA supervision is gained through the client practice of public accountancy, as defined in §511.122 of this chapter (relating to Acceptable Work Experience), [~~the CPA and~~] the CPA firm must be properly licensed and in good standing with the licensing board where the applicant performs the work experience.

(1) Supervision is provided whenever the person being supervised reports to, is instructed by, is reviewed by, and is evaluated directly by the supervisor. The supervisor in this capacity may be in an intermediate level of supervision above the applicant.

(2) Where there is no CPA employed at the company, firm or organization, acceptable supervision may be gained if the following conditions are met:

(A) a properly licensed CPA firm that is in good standing with the firm's licensing board is engaged to provide supervision, review, and evaluation of work experience; and

(B) the supervision, review, and evaluation of work is performed on a routine and recurring basis to permit the CPA firm to provide documentation of work experience;

(C) the CPA firm does not perform attest services for which independence is required for the [~~applicant or the~~] applicant's employer; and

(D) the CPA assigned to provide the supervision is employed by the CPA firm and is currently licensed and in good standing with the firm's licensing board and experienced to provide such supervision in the non-routine accounting area assigned to the applicant.

(3) Telecommunications equipment and computers may be used to facilitate supervision. The board requires detailed documentation if such devices are used to facilitate supervision.

(b) It is the responsibility of the CPA and the [~~an~~] applicant to document that supervision was adequate and effective in any situations inconsistent with the above examples.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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SUBCHAPTER H. CERTIFICATION

22 TAC §511.161

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.161 concerning Qualifications for Issuance of a Certificate.

Background, Justification and Summary

The proposed rule implements the new legislation, effective August 1, 2026, that permits the certification of an applicant with a bachelor's degree and distinguishes those applicants from the applicants with 150 hours of coursework.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will implement the recent legislation permitting certification with a bachelor's degree.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.161. Qualifications for Issuance of a Certificate.

The certificate of a CPA shall be granted by the board to an applicant who qualifies under the current Act and has met the following qualifications:

(1) successfully completed the UCPAE;

(2) met the education requirements in §511.164 of this chapter (relating to Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours [~~Definition of 150 Semester Hours to Qualify for Issuance of a Certificate~~]) or effective August 1, 2026, the education requirements in §511.59 of this chapter (relating to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours);

(3) successfully completed a 3-semester hour board-approved ethics course as defined by §511.58 [~~§511.164~~] of this chapter (relating to Related Business Subjects);

(4) submitted an application prescribed by the board;

(5) submitted the requisite fee, set by the board, for issuance of the certificate;

(6) provided evidence of a lack of a history of dishonest or felonious acts or any criminal activity that might be relevant to the applicant's qualifications;

(7) completed the fingerprint process that accesses the Federal Bureau of Investigation (FBI) and the Texas Department of Public Safety - Crime records division files;

(8) submitted, on a form prescribed by the board, evidence of completion of the work experience requirements commensurate with the education requirements described in §511.59 or §511.164 of this section;

(9) executed an oath of office stating support of the Constitution of the United States and of this state and the laws thereof, and compliance with the board's Rules of Professional Conduct;

(10) successfully completed the examination on the board's Rules of Professional Conduct; and

(11) provided any other information requested 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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.163

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.163 concerning Examination on the Board's Rules of Professional Conduct Requirements.

Background, Justification and Summary

The adoption of the proposed rule amendment will clarify that applicants for certification must wait 2 weeks before retaking the exam on the Rules of Professional Conduct.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will clarify that applicants for certification must wait 2 weeks before retaking the Rules of Professional Conduct exam.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.163. Examination on the Board's Rules of Professional Conduct Requirements.

(a) An applicant applying for the issuance of the CPA certificate must pass an examination on the board's Rules of Professional Conduct.

(1) The examination on the Rules of Professional Conduct must be completed not more than six months prior to the issuance of the CPA certificate.

(2) A grade of 85% or higher on the exam is considered passing.

(b) An applicant who does not earn a passing grade on the Rules of Professional Conduct examination shall wait two weeks before reexamination may occur.

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 March 13, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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For further information, please call: (512) 305-7842

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22 TAC §511.164

The Texas State Board of Public Accountancy (Board) proposes an amendment to §511.164 concerning Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours.

Background, Justification and Summary

The proposed rule eliminates the minimum of two semester credit hours in research and analysis and changes the 30 semester hours of upper level accounting courses to 27 semester hours of upper level accounting courses for those applicants with a Bachelor's degree. It requires a 3 semester hour ethics course.

Fiscal Note

William Treacy, Executive Director of the Board, has determined that for the first five-year period the proposed amendment is in effect, there will be no additional estimated cost to the state, no estimated reduction in costs to the state and to local governments, and no estimated loss or increase in revenue to the state, as a result of enforcing or administering the amendment.

Public Benefit

The adoption of the proposed rule amendment will inform applicants of the need for a 3 hour ethics course to be certified with the Bachelor's degree.

Probable Economic Cost and Local Employment Impact

Mr. Treacy, Executive Director, has determined that there will be no probable economic cost to persons required to comply with the amendment and a Local Employment Impact Statement is not required because the proposed amendment will not affect a local economy.

Small Business, Rural Community and Micro-Business Impact Analysis

William Treacy, Executive Director, has determined that the proposed amendment will not have an adverse economic effect on small businesses, rural communities or micro-businesses because the amendment does not impose any duties or obligations upon small businesses, rural communities or micro-businesses; therefore, an Economic Impact Statement and a Regulatory Flexibility Analysis are not required.

Government Growth Impact Statement

William Treacy, Executive Director, has determined that for the first five-year period the amendment is in effect, the proposed rule: does not create or eliminate a government program; does not create or eliminate employee positions; does not increase or decrease future legislative appropriations to the Board; does not increase or decrease fees paid to the Board; does not create a new regulation; limits the existing regulation; does not increase or decrease the number of individuals subject to the proposed rule's applicability; and does not positively or adversely affect the state's economy.

Takings Impact Assessment

No takings impact assessment is necessary because there is no proposed use of private real property as a result of the proposed rule revision.

The requirement related to a rule increasing costs to regulated persons does not apply to the Texas State Board of Public Accountancy because the rule is being proposed by a self-directed semi-independent agency. (§2001.0045(c)(8))

Public Comment

Written comments may be submitted to J. Randel (Jerry) Hill, General Counsel, Texas State Board of Public Accountancy, 505 E. Huntland Dr., Suite 380, Austin, Texas 78752 or faxed to his attention at (512) 305-7854, no later than noon on April 27, 2026.

The Board specifically invites comments from the public on the issues of whether or not the proposed amendment will have an adverse economic effect on small businesses. If the proposed rule is believed to have an adverse effect on small businesses, estimate the number of small businesses believed to be impacted by the rule, describe and estimate the economic impact of the rule on small businesses, offer alternative methods of achieving the purpose of the rule; then explain how the Board may legally and feasibly reduce that adverse effect on small businesses considering the purpose of the statute under which the proposed rule is to be adopted; and finally, describe how the health, safety, environmental, and economic welfare of the state will be impacted by the various proposed methods. See Texas Government Code, §2006.002(c). The board invites a request for information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis.

Statutory Authority

The amendment is proposed under the Public Accountancy Act ("Act"), Texas Occupations Code §901.151, which authorizes the Board to adopt rules deemed necessary or advisable to effectuate the Act.

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

§511.164. Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours.

(a) To qualify for the issuance of a CPA certificate, an applicant must hold at a minimum a baccalaureate degree, conferred by a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education), and have completed the board-recognized coursework identified in [~~paragraphs (1), or (2), and (3) - (5)~~] this section:

(1) [~~effective through July 31, 2026,~~] at least 27 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE); [~~to include a minimum of two semester credit hours in research and analysis;~~]

[~~(2) effective August 1, 2026, at least 30 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter;~~]

(2) [~~(3)~~] no fewer than 24 semester hours or quarter-hour equivalents of upper level related business courses to include a three-semester hour ethics course, as defined by §511.58 of this chapter (relating to Related Business Subjects); and

(3) no fewer than 150 semester hours or quarter-hour equivalents of academic coursework.

(b) Although not required by the board, the following academic coursework when combined with subsection (a) of this section may be used to meet or exceed the 150 semester hour requirement of subsection (a)(3) of this section:

(1) [~~(4)~~] [~~although not required to meet subsection (a)(5) of this section, the board may accept~~] not more than six hours or quarter hour equivalents of CPA review coursework completed at a board-recognized institution of higher education; and

(2) [~~(5)~~] a maximum of 9 total semester credit hours of undergraduate or graduate independent study and/or internships as defined in §511.51(6) or §511.51(7) of this chapter (relating to Educational Definitions). [~~academic coursework at an institution of higher education as defined by §511.52 of this chapter, when combined with paragraphs (1) - (4) of this subsection meets or exceeds 150 semester~~

~~hours. An applicant who has met paragraphs (1) - (3) of this subsection may use a maximum of 9 total semester credit hours of undergraduate or graduate independent study and/or internships as defined in §511.51(b)(4) or §511.51(b)(5) of this chapter (relating to Educational Definitions) to meet this paragraph.~~] The courses shall consist of:

(A) a maximum of three semester credit hours of independent study courses; and

(B) a maximum of six semester credit hours of accounting/business course internships including the coursework used to meet §511.58 of this chapter [~~(relating to Related Business Subjects)~~].

(c) [~~(b)~~] The following courses, courses of study, certificates, and programs may not be used to meet the 150 semester hour requirement:

(1) remedial or developmental courses offered at an educational institution; and

(2) credits may not be awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education [~~may not be used~~] to meet the requirement of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(d) [~~(c)~~] The semester hours from a course that has been repeated will be counted only once toward the required semester hours.

(e) [~~(d)~~] The work experience shall be at least one year of full time non-routine accounting experience as defined by §511.122 and §511.123 of this chapter (relating to Acceptable Work Experience and Reporting Work Experience) and supervised by a CPA as defined by §511.124 of this chapter (relating to Acceptable Supervision).

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 March 13, 2026.

TRD-202601215
J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-7842

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TITLE 26. HEALTH AND HUMAN SERVICES

PART 1. HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 561. EMPLOYEE MISCONDUCT REGISTRY

26 TAC §§561.1 - 561.9

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes amendments to §561.1, concerning Purpose; §561.2, concerning Definitions; §561.3, concerning Employment and Registry Information; §561.4, concerning Investigations; §561.5, concerning Preliminary Results of Investigation and Notice to Employee; §561.6, concerning Informal Review; §561.7, concerning Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing; §561.8, concerning Entering Information in the EMR; and §561.9, concerning Removing Information from the EMR.

BACKGROUND AND PURPOSE

The proposal is necessary to implement Senate Bill (SB) 1849, 88th Legislature, Regular Session, 2023 and House Bill (HB) 3560, 89th Legislature, Regular Session, 2025.

SB 1849 amended Texas Health and Safety Code §253.010, which allows HHSC to amend rules related to the Employee Misconduct Registry (EMR) to establish criteria for a person to submit a request to be removed from the EMR and establish a process to determine whether a person meets the requirements for inclusion in the EMR.

SB 1849 also created new Texas Health and Safety Code (HSC) Chapter 810, Interagency Reportable Conduct Search Engine, known as Search Engine for Multi-Agency Reportable Conduct (SEMARC), which requires HHSC to amend rules to incorporate information and requirements established by new Chapter 810 relating to:

(1) definitions;

(2) designation of employees and contractors who are eligible to access the search engine;

(3) designation of additional users who are eligible to access the search engine, which may include controlling persons, hiring managers, or administrators of Long-Term Care Regulation providers;

(4) clarifying that an individual in the search engine is not entitled to notice or a hearing before the information is shared with another state agency or a designated user;

(5) conducting initial and periodic searches to determine whether an individual who may have access to a client has engaged in reportable conduct, and, if so, whether the individual is ineligible for employment, a volunteer position, a contract, or a license;

(6) providing notice and a due process hearing to an individual if HHSC denies, revokes, or suspends a contract or license based on that individual's reportable conduct under agency rules according to §810.006 (not that the individual "engaged" in reportable conduct); and

(7) requiring that information contained in the search engine results and information shared with other agencies is confidential.

HB 3560 amended the definition of "facility" regarding the Employee Misconduct Registry in HSC §253.001(4) to include facilities licensed under HSC Chapter 577, Private Mental Hospitals and Other Mental Health Facilities. This proposal updates the definition of "facility" in the rules.

The proposal improves access to the rules related to the Employment Misconduct Registry by consolidating them into one chapter in the Texas Administrative Code.

The proposal is also necessary to update rules and to improve the readability and understanding of the rules.

SECTION-BY-SECTION SUMMARY

Non-substantive edits were made throughout the rule text to use language that is easier for the public to understand.

The proposed amendment to §561.1, Purpose, adds a reference to Texas Human Resources Code Chapter 48, Subchapter I and revises language to HHSC "finding of reportable conduct."

The proposed amendment to §561.2, Definitions, adds definitions for terms used in the chapter and amends definitions to clarify language and information. The proposed amendment updates the definition of "facility" to align with statute.

The proposed amendment to §561.3, Employment and Registry Information, adds a reference to the Search Engine for Multi-Agency Reportable Conduct established under HSC Chapter 810 and simplifies rule language.

The proposed amendment to §561.4, Investigations, simplifies rule language.

The proposed amendment to §561.5, Preliminary Results of Investigation and Notice to Employee, removes "Preliminary" from the rule title and adds clarifying language related to the HHSC process for notifying an employee found to have engaged in reportable conduct.

The proposed amendment to §561.6, Informal Review, simplifies rule language and adds that HHSC may perform a desk review if an employee found to have engaged in reportable conduct does not request an informal review on time or does not participate in a requested informal review.

The proposed amendment to §561.7, Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing, simplifies rule language and adds information related to HHSC's right to release information in emergency situations.

The proposed amendment to §561.8, Entering Information in the EMR, simplifies rule language, removes references that specify notices of reportable conduct are received from the Texas Department of Family and Protective Services, and clarifies language related to information entered in the Employee Misconduct Registry.

The proposed amendment to §561.9, Removing Information from the EMR, changes the title of the rule to "Removal from Employee Misconduct Registry," adds information about employee requests to remove information from the EMR, what HHSC may consider when deciding whether to take an employee off the EMR, and removes a reference that specifies notices of reportable conduct are received from the Texas Department of Family and Protective Services.

FISCAL NOTE

Trey Wood, Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

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

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

(2) implementation of the proposed rules will not affect the number of HHSC employee positions;

(3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;

(4) the proposed rules will not affect fees paid to HHSC;

(5) the proposed rules will create new regulations;

(6) the proposed rules will expand existing regulations;

(7) the proposed rules will increase the number of individuals subject to the rules; and

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

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

Trey Wood has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities. The rules do not impose any additional costs on small businesses, micro-businesses, or rural communities that are required to comply with the rules.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules are necessary to protect the health, safety, and welfare of the residents of Texas; do not impose a cost on regulated persons; and are necessary to implement legislation that does not specifically state that §2001.0045 applies to the rules.

PUBLIC BENEFIT AND COSTS

David Kostroun, Deputy Executive Commissioner for Regulatory Services, has determined that for each year of the first five years the rules are in effect, the public benefit will be that rules related to the Employee Misconduct Registry will be available in one place, enhancing accessibility for the public and that the rules will be consistent with statutory requirements.

Trey Wood has also determined that for the first five years the rule is in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rule because these rules codify current procedures used by most persons.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

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

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be: (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be post-

marked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 25R016" in the subject line.

STATUTORY AUTHORITY

The amendments 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 Chapters 253 and 810; and Texas Human Resources Code Chapter 48 Subchapter I.

The amendments affect Texas Government Code §524.0151, Texas Health and Safety Code Chapters 253 and 810, and Texas Human Resources Code Chapter 48 Subchapter I.

§561.1. Purpose.

(a) This chapter implements Texas Health and Safety Code (HSC) [~~(THSC),~~] Chapter 253, Employee Misconduct; Registry and Texas Human Resources Code Chapter 48, Subchapter I, Employee Misconduct Registry (EMR), about [~~Employee Misconduct Registry (EMR), regarding~~] a Texas Health and Human Services Commission (HHSC) finding of reportable conduct. [~~investigating an allegation of abuse, neglect, or exploitation, and entering~~] This chapter explains how HHSC enters information in the EMR about a finding of reportable conduct by an unlicensed employee of a facility, [~~an~~] agency, or [~~an~~] individual employer.

(b) HHSC manages [~~The Texas Health and Human Services Commission maintains~~] the EMR and enters information in the EMR according to [~~in accordance with~~] §561.8 of this chapter (relating to Entering Information in the EMR).

(c) The EMR lists persons who are not employable by a facility, agency, or individual employer.

§561.2. Definitions.

The following [~~words and~~] terms in this chapter have the following meanings, unless the context clearly indicates otherwise.[~~:~~]

(1) Abuse--Is defined by the law [~~statute~~] or rule that applies to investigating claims of [~~governs the investigation of alleged~~] abuse of an individual who uses [~~using~~] the Consumer Directed Services (CDS) [~~CDS~~] option or receives services from a [~~receiving~~] facility or agency. [~~services.~~]

(2) Administrative hearing--A hearing held under this rule chapter by the Texas State Office of Administrative Hearings (SOAH) following a written request for a hearing by an employee challenging the HHSC reportable conduct decision for the employee.

(3) [~~(2)~~] Administrative law judge--A [~~An administrative law~~] judge from [~~the~~] SOAH [~~Texas State Office of Administrative Hearings (SOAH)~~] who handles [~~is authorized to preside over certain~~] administrative hearings under this chapter and according to [~~in accordance with~~] Texas Government Code[~~,~~] Chapter 2001.

[~~(3) Administrative hearing--A contested case hearing conducted under this chapter by SOAH based on a written request for hearing by an employee contesting the Texas Health and Human Services Commission's (HHSC's) determination that the employee committed reportable conduct.~~]

(4) Agency--In this chapter means:

(A) a home and community support services agency licensed under Texas Health and Safety Code (HSC) [~~Texas Health and Safety Code (THSC)~~] Chapter 142. It [~~, that~~] provides services to children, older adults, adults with disabilities, and people receiving care in a hospice facility; [~~an elderly or disabled adult;~~]

(B) a person exempt from licensing under HSC §142.003(a)(19) - (20); [~~THSC §142.003(a)(19);~~]

[~~(C) a facility for persons with an intellectual disability or related conditions licensed under THSC Chapter 252;~~]

(C) [~~(D)~~] a state supported living center as defined in HSC [~~THSC~~] §531.002;

(D) a local mental health authority as defined in HSC §531.002;

[~~(E) a local authority designated under THSC §533.035;~~]

(E) [~~(F)~~] a community center as defined in HSC [~~THSC~~] §531.002;

[~~(G) a mental health facility operated by the Texas Department of State Health Services;~~]

[~~(H) the intermediate care facility for individuals with an intellectual disability component of the Rio Grande State Center; or~~]

(F) [~~(I)~~] a contractor of an entity described in subparagraphs (C)- (E) [~~(D) - (H)~~] of this paragraph;[~~.~~]

(G) a person who contracts with a health and human services agency or Medicaid managed care organization to provide home and community-based services (HCBS) as that term is defined in Texas Human Resources Code (HRC) §48.251;

(H) a person who enters into a contract with a Medicaid managed care organization to provide behavioral health services;

(I) a Medicaid managed care organization;

(J) an officer, employee, agent, contractor, or subcontractor of a person or entity listed in subparagraphs (C) - (I) of this paragraph;

(K) an employee, fiscal agent, case manager, or service coordinator of an individual employer participating in the consumer-directed service option, as defined in Texas Government Code §546.0101; or

(L) any other program, project, waiver demonstration, or service providing long-term services and supports through the Medicaid program.

(5) Child--A person under 18 years old [~~of age~~] who is not and has not been married or who has not had the disabilities of minority removed for general purposes.

(6) Consumer directed services (CDS) option [~~(CDS option)~~]--A service delivery option, described in Chapter 264 of this title (relating to Consumer Directed Services Option) and Texas Government Code §546.0101 [~~Texas Administrative Code, Title 40, Chapter 41 (relating to Consumer Directed Services Option),~~] in which an individual or legally authorized representative (LAR) employs and retains service providers and directs the delivery of program services.

(7) Emergency--Cases of abuse, neglect, or financial exploitation that rise to the level of reportable conduct, which, without immediate intervention, would result in a child or an adult with a disability or aged 65 years old or older being in a state of harm or at risk of harm.

[~~(7) Executive Commissioner--The executive commissioner of HHSC.~~]

(8) Employee--A person who:

(A) works for [~~an agency,~~] a facility, agency, or [~~an~~] individual employer;

(B) provides personal care services, active treatment, or any other personal services to an individual using the CDS option or receiving facility or agency services, or an individual who is a child for whom an investigation is authorized under Texas Family Code §261.404; [~~and~~]

(C) provides personal care services, active treatment or any other personal services to an individual who is a child for whom an investigation is authorized under Texas Family Code §261.404;

(D) [~~(C)~~] is not licensed to perform those services or is a nurse aide; and[~~.~~]

(E) was an employee as defined in subparagraphs (A) - (D) of this paragraph and is currently on the Employee Misconduct Registry.

(9) EMR--The Employee Misconduct Registry. The [~~--The~~] registry established in HSC [~~THSC~~] Chapter 253, and available on the HHSC website.

(10) Executive Commissioner--The executive commissioner of HHSC or the executive commissioner's designee.

(11) [~~(10)~~] Exploitation--Is defined by the statute or rule that governs the investigation of alleged exploitation of an individual using the CDS option or receiving facility or agency services. Exploitation includes misappropriation in a nursing facility setting, as defined in 26 TAC §554.101 (relating to Definitions).

(12) [~~(11)~~] Facility--In this chapter means:

(A) a nursing facility licensed under HSC [~~THSC~~] Chapter 242;

(B) an assisted living facility licensed under HSC [~~THSC~~] Chapter 247;

(C) a home and community support services agency licensed under HSC [~~THSC~~] Chapter 142[~~, that provides services to a child~~];

[~~(D) a home and community support services agency licensed under THSC Chapter 142, as a hospice inpatient unit or hospice residential unit;~~]

(D) [~~(E)~~] a day activity and health services facility licensed under HRC [~~Texas Human Resources Code,~~] Chapter 103;

(E) [~~(F)~~] an adult foster care provider that contracts with HHSC; [~~or~~]

(F) [~~(G)~~] a prescribed pediatric extended care center licensed under HSC [~~THSC,~~] Chapter 248A;[~~.~~]

(G) an intermediate care facility for individuals with an intellectual disability unlicensed or licensed by HHSC under HSC Chapter 252, including the intermediate care facility for individuals with an intellectual disability component of the Rio Grande State Center;

(H) a state supported living center licensed under HSC Chapter 555;

(I) a residential child-care facility as defined by HRC §42.002, at which an elderly person or an adult with a disability lives or is in the facility's care;

(J) a state hospital licensed under HSC Chapter 552; or

(K) a private mental hospital or other mental health facility licensed under HSC Chapter 577.

(13) [~~(12)~~] Financial management services agency (FMSA)--As defined in 26 TAC §264.103 [~~Texas Administrative Code, Title 40, Chapter 41 §41.103~~] (relating to Definitions)[~~, an entity that contracts with HHSC to provide financial management services to individuals who use the CDS option~~].

(14) Harm--An outcome or potential outcome of such a nature that a reasonable person would consider could have an imminent significant negative impact on the physical, mental, or emotional health of an individual.

(15) HCSSA--Home and Community Support Services Agency.

(16) HHSC--The Texas Health and Human Services Commission.

(17) HRC--Texas Human Resources Code.

(18) HSC--Texas Health and Safety Code.

(19) Individual--A person receiving services from an agency or facility.

(20) [~~(13)~~] Individual employer--An individual or legally authorized representative (LAR) [~~employer, as defined in Texas Administrative Code, Title 40, Chapter 41 §41.103, which is an individual or LAR~~] who participates in the CDS option. The individual employer [~~and~~] is responsible for hiring and retaining service providers to deliver program services.

(21) [~~(14)~~] Informal review (IR)--A chance for an employee to offer more information to HHSC to dispute investigation findings. [~~An opportunity for an employee to dispute the preliminary results of an investigation by providing HHSC with additional information, initiated by a written request by the employee.~~]

(22) SEMARC--Search Engine for Multi-Agency Reportable Conduct. As established by Texas Health and Safety Code Chapter 810.

(23) [~~(15)~~] Neglect--Is defined by the statute or rule that covers how alleged neglect [~~governs the investigation of alleged neglect~~] of an individual using the CDS option or receiving facility or agency services is investigated.

(24) [~~(16)~~] Nurse Aide Registry (NAR)--The registry established in HSC [~~THSC~~] §250.001(1), and available on the HHSC website.

(25) Release--The release of data outside of HHSC without the employee's consent, except for data released as allowed by law or according to this chapter.

(26) [~~(17)~~] Reportable conduct--Reportable conduct, as defined in HSC [~~THSC~~] §253.001 and HRC §48.401(5), which includes:

(A) abuse or neglect that causes or may cause death or harm to an individual using the CDS option or receiving facility or agency services;

(B) sexual abuse of an individual using the CDS option or receiving facility or agency services;

(C) financial exploitation of an individual using the CDS option or receiving facility or agency services in the amount of $25 or more; and

(D) emotional, verbal, or psychological abuse that causes harm to an individual using the CDS option or receiving facility or agency services.

(27) [~~(18)~~] Texas State Office of Administrative Hearings (SOAH)--The state agency responsible for conducting certain administrative hearings for other state agencies, including HHSC.

[~~(19) THSC--Texas Health and Safety Code.~~]

§561.3. Employment and Registry Information.

(a) A [~~Before a~~] facility, agency, or individual employer, [~~hires an employee, the facility, agency, individual employer,~~] or a financial management services agency (FMSA), on behalf of the individual employer, must conduct a SEMARC check for findings from the Employee Misconduct Registry (EMR), Texas Education Agency, Texas Department of Family and Protective Services, and Texas Juvenile Justice Department that involve reportable conduct. [~~search the Employee Misconduct Registry(EMR) and Nurse Aide Registry (NAR) to determine if the person applying for employment is listed as unemployable on either registry.~~]

(b) A facility, agency, or individual employer must also search the Nurse Aide Registry (NAR) to check if the person applying for a job is listed as unemployable.

(c) [~~(b)~~] A facility, agency, or individual employer must not hire or keep employing [~~continue to employ~~] a person listed as unemployable in the SEMARC [~~EMR~~] or NAR. [~~as unemployable.~~]

(d) [~~(c)~~] Within five working days after hiring an employee, a [~~A~~] facility, agency, or individual employer must [~~, within five working days after hiring an employee,~~] provide the employee with written information [~~to the employee~~] explaining:

(1) that a person listed in the SEMARC [~~EMR~~] is not employable by a facility, agency, or individual employer; [~~and~~]

(2) that the SEMARC is governed by this chapter and HSC Chapter 810; and

(3) [~~(2)~~] that the EMR is governed by this chapter and HSC [~~Texas Health and Safety Code~~] Chapter 253.

(e) [~~(d)~~] Every year, a [~~A~~] facility, agency, individual employer, or FMSA, on behalf of an individual employer, must search the SEMARC [~~EMR~~] and NAR [~~annually~~] to check [~~determine~~] if an employee is listed [~~on either registry~~] as unemployable.

(f) [~~(e)~~] A facility, [~~or~~] agency, individual employer, or FMSA, on behalf of an individual employer, must keep [~~maintain~~] a copy of the results of the searches required by subsections (a) and (e) [~~(d)~~] of this section in its records. [~~the books and records maintained by the entity that conducted the search.~~]

§561.4. Investigations.

(a) HHSC [~~The Texas Health and Human Services Commission (HHSC)~~] investigates certain allegations of abuse, neglect, and exploitation made against an employee.

(b) When HHSC starts an investigation and the findings include [~~After commencing an investigation, if the preliminary results indicate~~] an allegation of abuse, neglect, or exploitation by an employee, [~~might meet the definition of reportable conduct,~~] HHSC follows the steps outlined in [~~complies with~~] §561.5 of this chapter (relating to [~~Preliminary~~] Results of Investigation and Notice to Employee) and §561.6 of this chapter (relating to Informal Review).

(c) When HHSC finds that reportable conduct happened after investigating an allegation of abuse, neglect, or exploitation by an employee, HHSC sends the employee a [~~If HHSC determines that the reportable conduct occurred, after completing its investigation into an allegation of abuse, neglect, or exploitation by an employee, HHSC provides the employee with~~] written notice of the findings. HHSC provides the notice according to [~~in accordance with~~] §561.7 of this chapter (relating to Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing).

(d) Sections 561.5, 561.6, and 561.7 of this chapter apply only to an investigation HHSC conducts, [~~conducted by HHSC,~~] as described in subsection (a) of this section.

§561.5. [~~Preliminary~~] Results of Investigation and Notice to Employee.

(a) [~~When the preliminary results of the Texas Health and Human Services Commission's (HHSC) investigation indicate that an employee might have committed reportable conduct,~~] HHSC sends the employee a written notice if the investigation finds that abuse, neglect, or exploitation has occurred. The notice [~~that~~] includes:

(1) a summary of the investigation findings; [~~a brief summary of the preliminary results of the investigation and facts on which they are based;~~]

(2) a statement that the employee may request an informal review (IR) to challenge the findings; [~~by HHSC to dispute the preliminary results of the investigation;~~]

(3) a statement that the employee must [~~a~~] request [~~for~~] an IR [~~must be made~~] in writing within [~~no later than~~] 10 calendar days after the date the employee receives written notice of the findings; [~~preliminary results of the investigation;~~] and

(4) details on how to contact the HHSC office where the employee needs to send the request [~~contact information for the HHSC office where an employee must submit the request~~] for an IR.

(b) To challenge the investigation's findings, the employee must request [~~An employee may dispute the preliminary results of the investigation by requesting~~] an IR in writing within [~~no later than~~] 10 calendar days after the date the employee received the written notice. Subsection [~~described in subsection~~] (a) of this section describes the written notice.

(c) If an employee requests an IR, or takes part in an IR, it does not remove their responsibility [~~An employee's request for or participation in a requested IR does not relieve the employee of the requirement~~] to follow [~~comply with~~] §561.7 of this chapter (relating to Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing). [~~If HHSC upholds the preliminary results of the investigation,~~] HHSC provides [~~will provide the employee with~~] notice of reportable conduct as required by [~~in accordance with~~] §561.7, if the investigation findings are upheld.

§561.6. Informal Review.

(a) If an employee requests an informal review (IR) according to [~~in accordance with~~] §561.5(b) of this chapter (relating to [~~Preliminary~~] Results of Investigation and Notice to Employee), HHSC [~~the Texas Health and Human Services Commission (HHSC)~~] sets an IR [~~informal review (IR)~~] date within [~~no later than~~] 30 calendar days after HHSC receives [~~the date~~] the request. [~~is received by HHSC.~~]

(1) The employee can challenge the investigation findings [~~may dispute the preliminary results of the investigation~~] by providing more [~~additional~~] information to the designated HHSC staff.

(2) If HHSC [~~the designated HHSC staff~~] does not uphold the [~~preliminary~~] investigation findings, [~~results,~~] HHSC informs [~~notifies~~] the employee of the IR results [~~of the IR~~] and does not enter

the employee's name or related information in the EMR. [~~Employee Misconduct Registry.~~]

(3) If HHSC [~~designated HHSC staff~~] upholds the [~~preliminary~~] investigation findings [~~results~~] and finds reportable conduct, HHSC sends written notice to the employee, as described in §561.7(a) of this chapter (relating to Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing).

(b) If an employee does not [~~timely~~] request an IR on time or does not [~~or fails to~~] participate in a requested IR, HHSC may perform a desk review and either uphold or overturn the investigation findings. If HHSC upholds the [~~preliminary~~] investigation findings and [~~results,~~] finds that reportable conduct happened, HHSC [~~occurred, and~~] sends the employee the written notice described in §561.7(a) of this chapter. This [~~, except that the~~] notice does not include a summary of the IR results. [~~of an IR.~~]

§561.7. Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing.

(a) [~~After an investigation in which HHSC finds that reportable conduct occurred,~~] HHSC provides the employee with written notice of its findings after an investigation in which HHSC finds that reportable conduct happened. The notice [~~, which~~] includes:

(1) a summary of HHSC's reportable conduct [~~Reportable Conduct~~] finding;

(2) a statement that the employee has the right to an administrative hearing to challenge the [~~on the occurrence of~~] reportable conduct finding;

(3) a statement that:

(A) the employee must make a request for hearing [~~must be made~~] in writing within [~~no later than~~] 30 calendar days after the date the employee receives the written notice; or

(B) the employee may accept the reportable conduct finding, which would result in HHSC placing the employee on the EMR; [~~and~~]

(4) details on how to contact the HHSC office where the employee needs to send the request for an administrative hearing; [~~the contact information for the Texas Health and Human Services Commission (HHSC) where the employee must submit the request for an administrative hearing.~~]

(5) a statement that HHSC may determine that an emergency exists and HHSC may immediately share the case information or finding with the facility, agency, or individual employer where the employee works or worked because release of information allows the facility, agency, or individual employer to take precautions to protect the people they serve;

(6) a statement that HHSC reserves the right to make an emergency release of any reportable conduct findings to any future employer of the employee if the employee will work with similar people served; and

(7) a statement that HHSC is not required to find an emergency before it releases information under HSC §253.0025.

(b) HHSC enters [~~If the employee accepts HHCS's determination or does not timely request an administrative hearing,~~] the employee's name and related information [~~are entered~~] in the EMR if the employee accepts the decision made by HHSC. HHSC also enters the employee's name and related information in the EMR if the employee does not request an administrative hearing on time. [~~Employee Misconduct Registry (EMR).~~]

(c) An employee may request an administrative hearing. The hearing must follow the [~~conducted in accordance with the Health and Human Services Commission's administrative hearing~~] procedures in [~~Title~~] 1 TAC [~~, Texas Administrative Code,~~] Chapter 357, Subchapter I (relating to Hearings Under the Administrative Procedure Act).

(d) An [~~If an employee timely requests a hearing, the employee is granted an~~] administrative hearing about the [~~on the occurrence of~~] reportable conduct finding is provided to the employee when the employee requests a hearing on time. The hearing is before an administrative law judge at the Texas State Office of Administrative Hearings (SOAH).

(e) SOAH completes the [~~The~~] administrative hearing described in subsection (d) of this section and completes the [~~§561.7(d) requires the hearing and~~] hearing record within [~~record to be completed no later than~~] 120 days after the date HHSC receives [~~received~~] the hearing request.

(f) The administrative law judge makes findings of fact [~~facts~~] and conclusions of law and issues a proposal for decision as to whether the [~~occurrence of~~] reportable conduct occurred.

(g) [~~Based on the findings of fact and conclusions of law and the recommendation of the administrative law judge,~~] HHSC may, by order, [~~may~~] find that the reportable conduct occurred. This finding is based on the findings of fact, conclusions of law, and the administrative law judge's recommendations. [~~occurred.~~]

(h) If, after an administrative hearing, HHSC finds that the employee committed reportable conduct under subsection (g) of this section, [~~§561.7(g),~~] HHSC must issue a final order on that determination. HHSC also enters [~~and enter into the EMR~~] the information described in §561.8(c) of this chapter (relating to Entering Information in [~~into~~] the EMR) into the EMR. [~~EMR.~~)]

(i) Notice of a final order issued by HHSC under subsection (h) of this section [~~§561.7(h)~~] must be sent to the employee. The notice [~~and~~] must include the following information:

(1) separate statements of the findings of fact and conclusions of law;

(2) a statement of the right of the employee to judicial review of the order; and

(3) a statement that the reportable conduct will be recorded in the EMR under HSC [~~Texas Health and Safety Code~~] §253.007, if:

(A) the employee does not request judicial review of the determination; or

(B) the determination is sustained by the court.

(j) As stated in Texas Government Code Chapter 2001, to challenge [~~Not later than the 30th day after the date on which the decision becomes final as provided by Texas Government Code Ch. 2001, the employee may file a petition for judicial review contesting~~] the finding of [~~the~~] reportable conduct, the employee has 30 days from the date the decision becomes final to file a petition for judicial review. If the employee does not request judicial review, HHSC [~~of the determination, the department~~] will record the reportable conduct in the EMR according to the rules [~~as set forth~~] in §561.8 of this chapter.

§561.8. Entering Information in the EMR.

(a) HHSC [~~The Texas Health and Human Services Commission (HHSC)~~] enters the information described in subsection (c) of this section in the EMR: [~~Employee Misconduct Registry (EMR):~~]

(1) when HHSC investigation procedures [~~investigates~~] and all applicable due process procedures are completed for a substantiated finding of reportable conduct;

[~~(2) as required by Texas Health and Safety Code (THSC) §253.0075, when HHSC receives notice of a finding of reportable conduct from the Texas Department of Family and Protective Services (DFPS);~~]

(2) [~~(3) as a finding of reportable conduct~~] when HHSC finds that a nurse aide working in a nursing facility has committed abuse, neglect, or exploitation [~~misappropriation~~] (as those terms are defined in §561.2 of this chapter (relating to Definitions)) and HHSC also lists the nurse aide's certification as revoked on the Nurse Aide Registry (NAR); or

(3) [~~(4)~~] at the [~~HHSC's~~] discretion of HHSC, according to HSC [~~in accordance with THSC~~] §253.007(b), if [~~an agency of~~] another state or the federal government finds that an employee has committed an act that constitutes reportable conduct.

(b) HHSC does not offer an informal review, [~~(IR),~~] as described in §561.6 of this chapter (relating to Informal Review), or an administrative hearing, as described in §561.7 of this chapter (relating to Reportable Conduct Finding and Notice and Opportunity for Administrative Hearing), to an employee about [~~regarding~~] a finding of reportable conduct described in subsection (a)(2) or (3) of this section [~~§561.8(a)(2), (3), or (4)~~] before entering employee information related to the finding in the EMR.

(1) For a finding under subsection (a)(3) [~~(a)(2) or (4)~~] of this section, another Texas state agency, [~~the Texas Department of Family and Protective Services,~~] the federal government, or an agency of another state provides any due process required by its laws[~~,~~] or rules[~~, or regulations~~] before sending a finding to HHSC.

(2) For a finding under subsection (a)(2) [~~(a)(3)~~] of this section, HHSC provides due process before listing a nurse aide's certification as revoked in the NAR according to §556.13 of this title [~~in accordance with Title 26, Texas Administrative Code §556.12~~] (relating to Findings and Inquiries).

(c) The following information is entered in the EMR according to HSC [~~in accordance with THSC~~] §253.007 and HSC §810.005: [~~(relating to Employee Misconduct Registry):~~]

(1) the employee's full name;

(2) the employee's date of birth;

(3) [~~(2)~~] the employee's address;

(4) [~~(3)~~] the employee's social security number;

(5) [~~(4)~~] the name of the facility or agency, or a notation that the employee was an employee of an individual employer;

(6) [~~(5)~~] the address of the facility or agency, or the city and state of the individual employer;

(7) [~~(6)~~] the date on which the reportable conduct occurred; [~~and~~]

(8) the date on which the final determination was issued on the reportable conduct finding; and

(9) at least one of the following:

(A) information HHSC needs to decide if the individual is eligible for employment, a contract, certification, or licensure; or

(B) the type or a description of the reportable conduct.

[~~(7) a description of the reportable conduct.~~]

§561.9. Removal from Employee Misconduct Registry. [~~*Removing Information from the EMR.*~~]

(a) An employee placed on the EMR may not request removal from the EMR more than one time.

(b) An employee may request, using an HHSC provided petition, removal from the EMR as follows.

(1) An employee placed on the EMR before January 1, 2021, may request removal no later than two years after the effective date of this rule.

(2) An employee placed on the EMR on or after January 1, 2021, for abuse or exploitation may request removal from the EMR. The request for removal must be made no later than 12 months after spending five years on the EMR.

(3) An employee placed on the registry on or after January 1, 2021, for neglect may request removal from the EMR. The request for removal must be made no later than 12 months after spending one year on the EMR.

(c) HHSC may consider the following when deciding whether to take an employee off the EMR:

(1) the circumstances of their involvement in the reportable conduct that led to placement on the EMR;

(2) the facts about the actions that caused placement on the EMR;

(3) how much time has passed since the reportable conduct finding;

(4) the employee's conduct and work activity before and after the reportable conduct finding;

(5) evidence of the employee's rehabilitation or rehabilitative efforts after the reportable conduct finding;

(6) the employee's criminal history;

(7) other evidence of the employee's fitness, including:

(A) letters of recommendation;

(B) professional reference letters written by individuals who are not related to the employee; and

(C) education; and

(8) whether the employee was removed from the Nurse Aide Registry.

(d) The employee must provide HHSC with the information required by subsection (c) of this section.

[~~An employee's name remains in the Employee Misconduct Registry (EMR) unless:~~]

[~~(1) After receiving a written request from the employee, the Texas Health and Human Services Commission (HHSC) determines that the employee does not meet the requirements for listing in the EMR based on additional information gathered by HHSC or notification received from the Texas Department of Family and Protective Services or another referring entity; or~~]

[~~(2) an entry of reportable conduct in the EMR was based on an entry in the Nurse Aide Registry (NAR) and the entry in the NAR is subsequently removed.~~]

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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Karen Ray
Chief Counsel
Health and Human Services Commission
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For further information, please call: (512) 348-7677

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CHAPTER 711. INVESTIGATIONS OF INDIVIDUALS RECEIVING SERVICES FROM CERTAIN PROVIDERS

SUBCHAPTER L. EMPLOYEE MISCONDUCT REGISTRY

26 TAC §§711.1401 - 711.1404, 711.1406 - 711.1408, 711.1413 - 711.1415, 711.1417, 711.1419, 711.1421, 711.1423, 711.1425 - 711.1427, 711.1429, 711.1431, 711.1432, 711.1434

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes the repeal of §§711.1401 - 711.1404; 711.1406 - 711.1408; 711.1413 - 711.1415; 711.1417; 711.1419; 711.1421; 711.1423; 711.1425 - 711.1427; 711.1429; 711.1431; 711.1432; and 711.1434, concerning Employee Misconduct Registry.

BACKGROUND AND PURPOSE

The purpose of the proposal is to remove duplicate rules from the Texas Administrative Code and consolidate them into one chapter relating to the Employee Misconduct Registry in 26 TAC 561. The relevant information in these rules are incorporated into the rules in Chapter 561 with updates for clarification and to align with statute. The amendments to Chapter 561 are proposed elsewhere in this issue of the *Texas Register*.

SECTION-BY-SECTION SUMMARY

The proposed repeal of rules in 26 TAC Chapter 711, Subchapter L, Employee Misconduct Registry, deletes the rules as no longer necessary because the information in this subchapter is being revised and added to 26 TAC Chapter 561.

FISCAL NOTE

Trey Wood, Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

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

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

(2) implementation of the proposed rules will not affect the number of HHSC employee positions;

(3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;

(4) the proposed rules will not affect fees paid to HHSC;

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

(6) the proposed rules will repeal existing regulations;

(7) the proposed rules will not change the number of individuals subject to the rules; and

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

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

Trey Wood has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities. The rules are repealed and do not impose any additional costs on small businesses, micro-businesses, or rural communities that are required to comply with the rules.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules are necessary to protect the health, safety, and welfare of the residents of Texas; do not impose a cost on regulated persons; and are necessary to implement legislation that does not specifically state that §2001.0045 applies to the rules.

PUBLIC BENEFIT AND COSTS

David Kostroun, Deputy Executive Commissioner for Regulatory Services, has determined that for each year of the first five years the rules are in effect, the public benefit will be improved clarity of the rules relating to Employee Misconduct Registry.

Trey Wood has also determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because the proposed rules are being repealed and incorporated into other rules in 26 Chapter 561.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, 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 25R016" in the subject line.

STATUTORY AUTHORITY

The rules 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 Chapters 253 and 810; and Texas Human Resources Code, Chapter 48, Subchapter I.

The rules affect Texas Government Code §524.0151, Texas Health and Safety Code Chapters 253 and 810, and Texas Human Resources Code, Chapter 48, Subchapter I.

§711.1401. What is the purpose of this subchapter?
§711.1402. How are the terms in this subchapter defined?
§711.1403. To which investigations does this subchapter apply?
§711.1404. How are the terms physical abuse, sexual abuse, verbal or emotional abuse, neglect, exploitation, and financial exploitation defined for the purpose of this subchapter?
§711.1406. How is the term agency defined for the purpose of this subchapter?
§711.1407. What is the Employee Misconduct Registry?
§711.1408. What is reportable conduct?
§711.1413. What notice must HHSC give to an employee before the employee's name is submitted to the EMR?
§711.1414. How will the Notice of Finding be provided to an employee and who is responsible for ensuring that HHSC has a valid mailing address for an employee?
§711.1415. How does an employee dispute a finding of reportable conduct and what happens if the "Request for EMR Hearing" is not filed or not filed properly?
§711.1417. What is the deadline for filing the Request for EMR Hearing?
§711.1419. Is a finding of reportable conduct ever reversed without conducting a hearing?
§711.1421. When and where will the EMR hearing take place and who conducts the hearing?
§711.1423. May an employee or HHSC request that the EMR hearing be rescheduled?
§711.1425. May an employee withdraw a Request for EMR Hearing after it is filed?
§711.1426. What happens if a party fails to appear at a pre-hearing conference or a hearing on the merits?
§711.1427. How is the EMR hearing conducted?
§711.1429. How and when is the decision made after the EMR hearing?
§711.1431. How is judicial review requested and what is the deadline?
§711.1432. What action does HHSC take when an employee has exhausted the employee's administrative remedies?
§711.1434. What special considerations apply to employees of state-operated facilities?

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

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Karen Ray
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CHAPTER 745. LICENSING

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes amendments to §745.115, concerning What programs regulated by other governmental entities are exempt from Licensing regulation; and §745.273, concerning Which residential child-care operations must meet the public notice and hearing requirements.

BACKGROUND AND PURPOSE

The proposal is necessary to implement House Bill (HB) 4529 and HB 3597, 89th Legislature, Regular Session, 2025.

HB 4529 amended Texas Human Resources Code (HRC) §42.041(b) to add exemptions to regulation by HHSC Child Care Regulation (CCR) for the following entities that are regulated by the United States Department of Defense: (1) a child-care facility located on a federal military base or other federal property; and (2) a military family child-care provider.

HB 3597 amended HRC §42.0461(a), which requires certain residential child-care facilities to hold a public hearing before receiving a license or certificate or expanding capacity if the residential child-care facilities are located in a county with a population of less than 500,000. Previously, the statutory language set the population threshold for public hearings at 300,000.

CCR is proposing amendments to (1) add a regulatory exemption for a child-care facility located on a federal military base or other federal property that has a certificate required by HRC §42.041(b)(26); (2) add a regulatory exemption for a child-care home operated by a military family child-care provider that has a certificate required by HRC §42.041(b)(27); and (3) update the population threshold triggering the public hearing requirement for a general residential operation (GRO) from 300,000 to 500,000.

The purpose of this proposal is also to remove duplicative content and improve the readability and understanding of the rules.

SECTION-BY-SECTION SUMMARY

The proposed amendment to §745.115 (1) amends the rule title; (2) deletes the rule's figure because the figure's content has been updated and added to the body of the rule; (3) amends a subsection to exempt a child-care facility from CCR's regulation if it is located on a federal military base or other federal property and has a certificate from the United States Department of Defense to operate; (4) adds a paragraph to exempt a military family child-care provider from CCR's regulation if it has a certificate from the United States Department of Defense to operate; and (5) removes a treatment facility or structured program licensed by HHSC to treat chemically dependent persons from a list of other state governmental entities to align the content of §745.115 with the title of the rule.

The proposed amendment to Subchapter D, Division 4, amends the division title.

The proposed amendment to §745.273 (1) amends the rule title; (2) changes 300,000 to 500,000 wherever referenced throughout the rule; (3) deletes duplicative content that exists in another rule; and (4) makes nonsubstantive changes for better readability and understanding.

FISCAL NOTE

Trey Wood, HHSC Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

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

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

(2) implementation of the proposed rules will not affect the number of HHSC employee positions;

(3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;

(4) the proposed rules will not affect fees paid to HHSC;

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

(6) the proposed rules will expand existing regulations;

(7) the proposed rules will increase the number of individuals subject to the rules; and

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

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

Trey Wood has also determined that there will be an adverse economic effect on small businesses or micro-businesses because a general residential operation that chooses to amend the GRO's license must meet the public notice and hearing requirements in the proposed rule resulting in administrative costs for the GRO.

HHSC is unable to determine how many GROs would amend current licenses and what the administrative costs would be for each GRO. There are no rural communities licensed to provide child care.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules are necessary to implement legislation that does not specifically state that §2001.0045 applies to the rules.

PUBLIC BENEFIT AND COSTS

Rachel Ashworth-Mazerolle, Associate Commissioner for Child Care Regulation, has determined that for each year of the first five years the rules are in effect the public benefit will be (1) a reduction in regulatory burden for operations already regulated by the United States Department of Defense; and (2) increased public awareness of matters affecting communities in a county with a population less than 500,000.

Trey Wood 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. The costs are based on when the statutory changes took effect and if an existing GRO chooses to amend the GRO's license.

A GRO applicant in a county with a population of less than 500,000 whose application would have been processed on or after the effective date of HB 3597 (September 1, 2025) is already legally required to meet the applicable public hearing requirements in statute and any existing rules that support the statute.

An existing GRO that was licensed before September 1, 2025, and is located in a county with a population between 300,000 and 500,000, will not need to follow the new public hearing requirements unless the GRO voluntarily chooses to amend the GRO's license, as detailed in current rules 26 Texas Administrative Code §745.273(b) and §745.275, which mandate providing public notice of the hearing and specify the required methods for conducting the hearing. This could result in potential administrative costs for the GRO. However, HHSC is unable to determine the exact costs for these tasks.

TAKINGS IMPACT ASSESSMENT

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

PUBLIC COMMENT

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

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 26R028" in the subject line.

SUBCHAPTER C. OPERATIONS THAT ARE EXEMPT FROM REGULATION
DIVISION 2. EXEMPTIONS FROM REGULATION

26 TAC §745.115

STATUTORY AUTHORITY

The amendments 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 agencies, as well as Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rule-making authority. In addition, the amendments are authorized by Texas Human Resources Code §42.042, which requires the executive commissioner to adopt rules to carry out provisions related to regulatory exemptions and public hearing requirements.

The amendments affect Texas Government Code §524.0151 and Texas Human Resources Code §42.042.

§745.115. Programs and Facilities Regulated by Other Governmental Entities Exempt from CCR Regulation. [~~What programs regulated by other governmental entities are exempt from Licensing regulation~~?]

The following programs and facilities are exempt from our regulation:

(1) Programs and facilities regulated by federal or tribal governmental entities, including:

(A) a child-care facility located on:

(i) a federal military base or other federal property that has a certificate to operate issued by the United States Department of Defense, as required by Texas Human Resources Code (HRC) §42.041(b)(26); or

(ii) an Indian reservation;

(B) a program that provides 24-hour care only for persons not lawfully present in the United States who are in federal government custody; or

(C) a military family child-care provider that has a certificate to operate issued by the United States Department of Defense, as required by HRC §42.041(b)(27).

(2) Programs and facilities regulated by other state governmental entities, including:

(A) a facility operated by the Texas Juvenile Justice Department;

(B) a facility providing services solely for the Texas Juvenile Justice Department;

(C) any other correctional facility for children operated or regulated by another state agency or political subdivision;

(D) a youth camp licensed by the Texas Department of State Health Services; and

(E) a youth camp exempt from licensure by the Texas Department of State Health Services under Texas Health and Safety Code §141.0021.

(3) An elementary -age recreation program for children ages 5 through 13 that meets the requirements in HRC§42.041(b)(14). [~~Figure: 26 TAC §745.115~~]

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 D. APPLICATION PROCESS
DIVISION 4. GENERAL RESIDENTIAL OPERATIONS PUBLIC NOTICE AND HEARING REQUIREMENTS [~~FOR RESIDENTIAL CHILD-CARE OPERATIONS~~]

26 TAC §749.273

STATUTORY AUTHORITY

The amendments 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 agencies, as well as Texas Government Code §524.0005, which provides the executive commissioner of HHSC with broad rule-making authority. In addition, the amendments are authorized by Texas Human Resources Code §42.042, which requires the executive commissioner to adopt rules to carry out provisions related to regulatory exemptions and public hearing requirements.

The amendments affect Texas Government Code §524.0151 The amendments affect Texas Government Code §524.0151 and Texas Human Resources Code §42.042.

§745.273. Public Notices and Hearings for Certain General Residential Operations. [~~Which residential child-care operations must meet the public notice and hearing requirements?~~]

(a) Except as specified in subsection (b) [~~(c)~~] of this section, a general residential operation located in a county with a population of less than 500,000 [~~300,000~~] must meet the public notice and hearing requirements in Texas Human Resources Code (HRC) §42.0461 when:

(1) applying for a license;[~~.~~]

[~~(b)~~] [~~Except as specified in subsection (c) of this section, a general residential operation requesting to amend its permit must meet the public notice and hearing requirements if it is:~~]

(2) [~~(1) An operation located in a county with a population of less than 300,000~~] requesting to increase capacity;

(3) [~~(2) An operation~~] requesting to relocate permanently to a location in:

(A) a different county with a population of less than 500,000 [~~300,000 where the operation did not meet the public notice and hearing requirements with respect to its current location~~]; or

(B) the same county with a population of less than 500,000 [~~300,000~~] if the location is in a different community or is served by a different school district; or

(4) [~~(3) An operation located in a county with a population of less than 300,000 that does not currently provide treatment services to children with emotional disorders but is~~] requesting to amend its permit to begin providing treatment services to children with emotional disorders.

(b) [~~(c)~~] General [~~A general~~] residential operation applicants that submit applications to provide trafficking victim services at the applicant's general residential operation are exempt from the public notice and hearing requirements in HRC§42.0461 to protect the safety and well-being of operation employees and children receiving services, as provided by HRC §42.0462 [~~that applies to provide services under Chapter 748 of this title, Subchapter V (relating to Additional Requirements for Operations that Provide Trafficking Victim Services) is exempt from any public notice and hearing requirements in subsection (a) of this section, unless the general residential operation intends to provide or provides treatment services to children with emotional disorders~~].

[~~(d) Notwithstanding the exemption provided in subsection (c) of this section, if the operation never provides or ceases to provide trafficking victim services, then the operation must meet the public notice and hearing requirements. To meet public notice and hearing requirements, the operation may need to surrender its permit or withdraw its application, as applicable, and reapply.~~]

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 March 11, 2026.

TRD-202601159
Karen Ray
Chief Counsel
Health and Human Services Commission
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 438-3269

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TITLE 30. ENVIRONMENTAL QUALITY

PART 1. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CHAPTER 37. FINANCIAL ASSURANCE

SUBCHAPTER J. FINANCIAL ASSURANCE FOR RECYCLING FACILITIES

30 TAC §37.931

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) proposes the amendment to §37.931.

Background and Summary of the Factual Basis for the Proposed Rules

The proposed rules implement House Bill (HB) 3229 passed by the 89th Texas Legislature, 2025. HB 3229 amended Texas Health and Safety Code (THSC) by adding new Chapter 376, Renewable Energy Component Recycling Facilities, which establishes new reporting, financial assurance, and penalty requirements for recycling facilities that accept, process, and repurpose components to recover valuable materials from wind turbine generators, solar energy devices, and battery energy storage systems. THSC, Chapter 376 requires owners of recycling facilities that recycle renewable energy components (henceforth called recycling facilities) to submit an annual report, by January 15, containing an inventory of unrecycled renewable energy components (including unrecycled components located offsite that the facility has taken control or ownership of), an estimated timeline to recycle these materials, a cost estimate to recycle or dispose the materials prepared by an independent, third-party professional engineer licensed in Texas, and evidence of financial assurance for the cost estimate provided.

Proposed amendments to 30 Texas Administrative Code (TAC) Chapter 37 are limited to implementing requirements specific to the financial assurance mechanisms authorized for these recycling facilities. While no other amendments are proposed to Chapter 37, recycling facilities impacted by this rulemaking would also be subject to existing rules in Chapter 37, including 30 TAC §§37.61, 37.141, 37.151, and Chapter 37, Subchapter J (Financial Assurance for Recycling Facilities).

As part of this rulemaking, the commission is proposing revisions to 30 TAC Chapter 328, Waste Minimization and Recycling, concurrently in this issue of the *Texas Register*.

Section by Section Discussion

§37.931, Financial Assurance Mechanisms

The commission proposes new §37.931(3) to specify the authorized financial assurance mechanisms for recycling facilities subject to the financial assurance requirement in THSC, Chapter 376, and as proposed in 30 TAC Chapter 328, Subchapter M in this rulemaking. The commission proposes to amend §37.931 by adding a new paragraph (3) to implement THSC §376.003(c) as established by HB 3229.

THSC, Chapter 376 allows the owner to demonstrate financial assurance using a parent company guaranty with a minimum investment grade credit rating for the parent company issued by a major domestic credit rating agency. A parent company guaranty is a type of corporate guarantee. A corporate guarantee may be used to demonstrate financial assurance under existing financial assurance rules in 30 TAC Chapter 37. Under Chapter 37, a corporate guarantor must be a direct or higher-tier parent corporation or a firm with a substantial business relationship with the owner or operator. The commission proposes to allow an owner to use a corporate guarantee to demonstrate financial assurance for recycling facilities but proposes to limit the guarantor to a parent company in accordance with THSC §376.003(c).

The commission recognizes that HB 3229 requires the owner of a recycling facility that accepts, processes, and repurposes components from renewable energy systems to submit evidence of financial assurance to the commission. The commission understands that the legislature intends for the commission to be the beneficiary of the financial assurance and to be able to access and use any funds from the financial assurance to recycle or dispose of all unrecycled components in the event that the owner of the recycling facility fails to do so. Accordingly, the proposed rulemaking requires owners of recycling facilities to provide financial assurance in accordance with 30 TAC Chapter 37 to ensure that adequate funds are available to properly recycle or dispose of unrecycled components at a recycling facility. The commission's financial mechanisms (corporate guarantee, letter of credit, and payment bond) correspond to the financial assurance that may be included as acceptable forms of financial assurance in THSC §376.003(c). The wording and requirements for the financial assurance mechanism in proposed §37.931(3) must conform to the applicable requirements for financial assurance administered by the agency in Chapter 37.

Fiscal Note: Costs to State and Local Government

Kyle Girten, Analyst in the Budget and Planning Division, has determined that for the first five-year period the proposed rule is in effect, no fiscal implications are anticipated for the agency or for other units of state or local government as a result of administration or enforcement of the proposed rule.

Public Benefits and Costs

Mr. Girten determined that for each year of the first five years the proposed rules are in effect, the public benefit will be rule language that is consistent with state law, specifically HB 3229 from the 89th Regular Legislative Session (2025). The proposed rulemaking is not anticipated to result in fiscal implications for individuals or businesses during the first five-year period the proposed rule is in effect.

Local Employment Impact Statement

The commission reviewed this proposed rulemaking and determined that a Local Employment Impact Statement is not required because the proposed rulemaking does not adversely affect a local economy in a material way for the first five years that the proposed rule is in effect.

Rural Community Impact Assessment

The commission reviewed this proposed rulemaking and determined that the proposed rulemaking does not adversely affect

rural communities in a material way for the first five years that the proposed rules are in effect. The amendments would apply statewide and have the same effect in rural communities as in urban communities.

Small Business and Micro-Business Assessment

No adverse fiscal implications are anticipated for small or micro-businesses due to the implementation or administration of the proposed rule for the first five-year period the proposed rules are in effect.

Small Business Regulatory Flexibility Analysis

The commission reviewed this proposed rulemaking and determined that a Small Business Regulatory Flexibility Analysis is not required because the proposed rule does not adversely affect a small or micro-business in a material way for the first five years the proposed rules are in effect.

Government Growth Impact Statement

The commission prepared a Government Growth Impact Statement assessment for this proposed rulemaking. The proposed rulemaking does not create or eliminate a government program and will not require an increase or decrease in future legislative appropriations to the agency. The proposed rulemaking does not require the creation of new employee positions, eliminate current employee positions, nor require an increase or decrease in fees paid to the agency. The proposed rulemaking amends an existing regulation, and it does not create, expand, repeal, or limit this regulation. The proposed rulemaking does not increase or decrease the number of individuals subject to its applicability. During the first five years, the proposed rule should not impact positively or negatively the state's economy.

Draft Regulatory Impact Analysis Determination

The commission reviewed the proposed rulemaking action in light of the regulatory analysis requirements of Texas Government Code, §2001.0225, and determined that the action is not subject to Texas Government Code, §2001.0225 because it does not meet the definition of a "Major environmental rule" as defined in that statute. A "Major environmental rule" is a rule the specific intent of which is to protect the environment or reduce risks to human health from environmental exposure, and that may adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. The proposed amended rules implement HB 3229 from the 89th Texas Legislature, Regular Session, 2025. HB 3229 requires the owner of a recycling facility that accepts, processes, and repurposes components from a wind turbine generator, a solar energy device, or a battery energy storage system to submit a report to the agency that includes evidence of financial assurance. The proposed rules implement HB 3229 by establishing the requirements for the financial assurance. Financial assurance provides a source of funding to the agency to perform closure of a facility in the event that the owner fails to do so. The financial assurance requirement would apply to the owner of a recycling facility under THSC Chapter 376 in the absence of these rules. Because the proposed rules implement financial assurance requirements, the proposed rules do not change any existing requirements that protect the environment or reduce risks to human health from environmental exposure, nor do the proposed rules affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state.

As defined in the Texas Government Code, §2001.0225 only applies to a major environmental rule, the result of which is to: exceed a standard set by federal law, unless the rule is specifically required by state law; exceed an express requirement of state law, unless the rule is specifically required by federal law; exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; or adopt a rule solely under the general authority of the commission. The proposed rules do not exceed a standard set by federal law. The proposed amendments do not exceed an express requirement of state law or a requirement of a delegation agreement. These rules were not developed solely under the general powers of the agency but are authorized by specific sections of the Texas Government Code and TWC, that are cited in the statutory authority section of this preamble. Therefore, this rulemaking is not subject to the regulatory analysis provisions of Texas Government Code, §2001.0225(b).

The commission invites public comment regarding the Draft Regulatory Impact Analysis Determination during the public comment period. Written comments on the Draft Regulatory Impact Analysis Determination may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Takings Impact Assessment

The commission evaluated the proposed rulemaking and performed an analysis of whether Texas Government Code, Chapter 2007, is applicable. The proposed amended rules implement HB 3229 from the 89th Texas Legislature, Regular Session, 2025. The proposed amended rules in Chapter 37 do not affect private property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the proposed rules. The proposed rules in Chapter 37 establish financial assurance requirements for the owner of a recycling facility that accepts, processes, and repurposes components from a wind turbine generator, a solar energy device, or a battery energy storage system, as required by HB 3229. Consequently, this rulemaking action does not meet the definition of a taking under Texas Government Code, §2007.002(5). Therefore, this rulemaking action will not constitute a taking under Texas Government Code, Chapter 2007.

Consistency with the Coastal Management Program

The commission reviewed the proposed rules and found that they are neither identified in Coastal Coordination Act Implementation Rules, 31 TAC §29.11(b)(2) or (4), nor will they affect any action/authorization identified in Coastal Coordination Act Implementation Rules, 31 TAC §29.11(a)(6). Therefore, the proposed rules are not subject to the Texas Coastal Management Program.

Written comments on the consistency of this rulemaking may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Announcement of Hearing

The commission will hold a hold a hybrid virtual and in-person public hearing on this proposal in Austin on April 23, 2026, at 10:00 a.m. in Building E, Conference Room E201S, at the commission's central office located at 12100 Park 35 Circle. The hearing is structured for the receipt of oral or written comments by interested persons. Individuals may present oral statements when called upon in order of registration. Open discussion will not be permitted during the hearing; however, commission staff

members will be available to discuss the proposal 30 minutes prior to the hearing at 9:30 a.m.

Individuals who plan to attend the hearing virtually and want to provide oral comments and/or want their attendance on record must register by April 21, 2026. To register for the hearing, please email *Rules@tceq.texas.gov* and provide the following information: your name, your affiliation, your email address, your phone number, and whether or not you plan to provide oral comments during the hearing. Instructions for participating in the hearing will be sent on April 22, 2026, to those who register for the hearing.

For the public who do not wish to provide oral comments but would like to view the hearing may do so at no cost at: *https://events.teams.microsoft.com/event/3c2b83de-5109-4c02-9b48-680499d830cc@871a83a4-a1ce-4b7a-8156-3bcd93a08fba*

Persons who have special communication or other accommodation needs who are planning to attend the hearing should contact Sandy Wong, Office of Legal Services at (512) 239-1802 or 1-800-RELAY-TX (TDD). Requests should be made as far in advance as possible.

Submittal of Comments

Written comments may be submitted to Vanessa Onyskow-Lang, MC 205, Office of Legal Services, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087, or faxed to *fax4808@tceq.texas.gov*. Electronic comments may be submitted at: *https://tceq.commentinput.com/comment/search*. File size restrictions may apply to comments being submitted via the TCEQ Public Comments system. All comments should reference Rule Project Number 2025-031-328-WS. The comment period closes at 11:59 p.m. on April 27, 2026. Please choose one of the methods provided to submit your written comments.

Copies of the proposed rulemaking can be obtained from the commission's website at *https://www.tceq.texas.gov/rules/propose_adopt.html*. For further information, please contact Jarita Sepulvado, Waste Permits Division, (512) 239-4413.

Statutory Authority

The amendments are proposed under Texas Water Code (TWC), §5.013, which establishes the general jurisdiction of the commission; §5.102, which provides the commission with the authority to carry out its duties and general powers under its jurisdictional authority as provided by TWC; §5.103, which requires the commission to adopt any rule necessary to carry out its powers and duties under the TWC and other laws of the state; Texas Health and Safety Code (THSC) §361.011, which confers the commission responsibility for the management of municipal solid waste; THSC §361.017, which confers the commission responsibility for the management of industrial solid waste and hazardous municipal waste and provides authority to control all aspects of the management of industrial solid waste and municipal hazardous waste by all practical and economically feasible methods consistent with its powers and duties under THSC Chapter 361 and other law, and THSC Chapter 376 which establishes requirements for renewable energy component recycling facilities.

The proposed rules implement House Bill (HB) 3229, 89th Texas Legislature, Regular Session, 2025, and THSC Chapters 361 and 376.

§37.931. Financial Assurance Mechanisms.

Owners and operators subject to this subchapter may use any of the financial assurance mechanisms as specified in Subchapter C of this chapter (relating to Financial Assurance Mechanisms for Closure, Post Closure, and Corrective Action) to demonstrate financial assurance for closure except:

(1) a pay-in trust fund may not be used; [~~and~~]

(2) a surety bond guaranteeing performance may not be used unless the owner or operator is required to provide financial assurance under §332.47 of this title (relating to Permit Application Preparation); and[~~.~~]

(3) for recycling facilities subject to Chapter 328, Subchapter M (relating to Requirements for Renewable Energy Component Recycling Facilities), a corporate guarantee, a letter of credit, or a surety bond guaranteeing payment must be used. For the purpose of §37.261 and §37.361 of this title (relating to Corporate Guarantee and Corporate Guarantee), a corporate guarantor must be a parent company with a minimum investment grade credit rating for the parent company issued by a major domestic credit rating agency.

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 March 13, 2026.

TRD-202601187
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 239-0682

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CHAPTER 328. WASTE MINIMIZATION AND RECYCLING

SUBCHAPTER M. REQUIREMENTS FOR RENEWABLE ENERGY COMPONENT RECYCLING FACILITIES

30 TAC §§328.401, 328.411, 328.421, 328.431, 328.441, 328.451

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) proposes new §§328.401, 328.411, 328.421, 328.431, 328.441, and 328.451.

Background and Summary of the Factual Basis for the Proposed Rules

The proposed rules implement House Bill (HB) 3229 passed by the 89th Texas Legislature, 2025. HB 3229 amended Texas Health and Safety Code (THSC) by adding new Chapter 376, Renewable Energy Component Recycling Facilities, which establishes new reporting, financial assurance, and penalty requirements for recycling facilities that accept, process, and repurpose components to recover valuable materials from wind turbine generators, solar energy devices, and battery energy storage systems. THSC, Chapter 376 requires owners of recycling facilities that recycle renewable energy components (henceforth called recycling facilities) to submit an annual report, by January 15, containing an inventory of unrecycled renewable energy components (including unrecycled components located offsite that the facility has taken control or ownership of), an

estimated timeline to recycle these materials, a cost estimate to recycle or dispose the materials prepared by an independent, third-party professional engineer licensed in Texas, and evidence of financial assurance for the cost estimate provided. The commission proposes new Subchapter M, Requirements for Renewable Energy Component Recycling Facilities, in Chapter 328 to implement HB 3229.

HB 3229 also amended Texas Water Code (TWC) §5.013(a)(11) to give TCEQ jurisdiction over the responsibilities assigned by THSC, Chapter 376 and amended TWC §7.052 to set the amount of the penalty for a violation of THSC, Chapter 376 to not exceed $500 a day for each violation. Additionally, HB 3229 required the commission maintain a list of recycling facilities in compliance with THSC, Chapter 376 on the agency's website.

Closure and Financial Assurance Applicability

The commission recognizes that HB 3229 requires the owner of the recycling facility to submit evidence of financial assurance to the commission, with the commission being the beneficiary of the financial assurance and able to access and use any funds from the financial assurance to recycle or dispose of all unrecycled components in the event that the owner of the recycling facility fails to do so.

The commission's financial assurance rules are based on proper closure, in accordance with respective program rules. If closure is not properly performed, then the commission can use financial assurance to conduct closure. Typically, closure for recycling facilities under existing requirements will begin when the owner or operator provides written notification under 30 TAC §330.11(c) and §328.5 for municipal solid wastes or under 30 TAC §335.6 for nonhazardous industrial wastes to the executive director of their intent to close the facility. Solely for the purpose of Subchapter M, the commission is proposing a definition of closure to mean the act, outside of daily operations, of collecting all components accepted from a wind turbine generator, a solar energy device, or a battery energy storage system, including any components the recycling facility has taken title to or assumed control of regardless of whether the components are located at the recycling facility, and properly recycling or disposing of the components. To implement the requirements for financial assurance from HB 3229, recycling facilities subject to Subchapter M may be required to perform closure. The recycling facility owner's failure to perform closure when required allows the executive director to call on the financial assurance mechanism under 30 TAC §37.101.

Enforcement, Including Penalties

The commission may conduct investigations to ensure compliance with this subchapter. The commission and the attorney general, as appropriate, will enforce this subchapter and may, among other actions, institute a suit under TWC, §7.032 for injunctive relief against a person to restrain the violation or threat of violation of proposed Subchapter M.

Failure to comply with this subchapter may result in enforcement, including penalties. The amount of an administrative penalty for a violation of this subchapter will not exceed $500 a day for each violation.

Internet Posting

In accordance with HB 3229, TCEQ will maintain a publicly available list of recycling facilities complying with THSC, Chapter 376, on its website. For owners of recycling facilities reporting by January 15th, the agency will compile and publish a list by March 1st of each year. After that list has been published, the agency will maintain and update the list periodically.

As part of this rulemaking, the commission is proposing revisions to 30 TAC Chapter 37, Financial Assurance, concurrently in this issue of the *Texas Register*.

Section by Section Discussion

Subchapter M, Requirements for Renewable Energy Component Recycling Facilities

The commission proposes new Subchapter M to implement HB 3229 and establish the reporting, financial assurance, and recordkeeping requirements for owners of renewable energy components recycling facilities.

§328.401, Purpose

Proposed new §328.401 establishes the purpose of Chapter 328, Subchapter M, which is to establish procedures and requirements for recycling facilities that accept, process, and repurpose components to recover valuable materials from a wind turbine generator, a solar energy device, or a battery energy storage system. Proposed new §328.401 implements THSC Chapter 376 as enacted by HB 3229.

§328.411, Applicability

Proposed new §328.411 describes the applicability of Chapter 328, Subchapter M and implements THSC Chapter 376 as enacted by HB 3229.

Subchapter M, through subsection (a), applies to a facility involved in the recycling of components to recover valuable materials from a wind turbine generator, solar energy device, or battery energy storage system.

Subsection (b) states that compliance with this subchapter does not exempt nor exclude recycling facilities from the applicability of other local, state, or federal solid waste laws. While THSC Chapter 376 is silent on the applicability of other local, state, or federal solid waste laws, the commission proposes to include this warning to place owners and operators of recycling facilities on notice that multiple other regulations are applicable to these activities. HB 3229 enacts new THSC Chapter 376 and does not repeal or amend other applicable laws that apply to recycling activities or the management of solid waste.

Components subject to proposed new Subchapter M are also subject to other local, state, or federal requirements such as municipal solid waste, industrial solid waste, or hazardous waste management regulations, including universal waste. Components subject to this subchapter must be recycled or disposed of in a manner that complies with local, state, and federal law. Components that are received from municipal sources must be managed, recycled, and disposed of in accordance with 30 TAC Chapter 328 and 30 TAC Chapter 330. Components that are classified as hazardous waste under 30 TAC §335.504 must be managed, recycled, and disposed of in accordance with 30 TAC Chapter 335.

The owner or operator of the recycling facility must operate the facility to prevent nuisances and disturbances and comply with applicable requirements of 30 TAC §§328.3, 330.15, or 335.4. Management of wastes subject to 30 TAC Chapter 335 that are received or generated at the facility may be required to comply with the waste classification requirements of 30 TAC Chapter 335, Subchapter R.

Recycling facilities are subject to recyclable material retention rules which prohibit speculative accumulation including 30 TAC §328.4(b) for recyclable materials derived from municipal sources, and 30 TAC §335.17(a)(8) for recyclable materials derived from industrial sources.

§328.421, Definitions

Proposed new §328.421 adds definitions for the terms battery energy storage system, closure, owner, recycling, recycling facility, solar energy device, unrecycled components, and wind turbine generator for the purpose of proposed Subchapter M. Proposed definitions for battery energy storage system, solar energy device, and wind turbine generator uses terms consistent with THSC Chapter 376 as enacted by HB 3229 but not explicitly defined in Chapter 376.

The definitions for closure, owner, recycling, recycling facility, and unrecycled components are intended to provide context for understanding and complying with the proposed rules. The definition of closure describes the activities that must be conducted to close under Subchapter M. This definition is included to describe the activities required of the recycling facility owner, typically when ceasing operations, but also in situations described in §328.441(e), to properly recycle or dispose of accepted components which results in no unrecycled components at the recycling facility or under the control of the recycling facility. The commission solicits comments on the definition of closure.

The definition of owner is proposed to clarify who is responsible for reporting under Subchapter M. The facility owner is the person who holds title to the real property on which the recycling facility is located, including fixtures and appurtenances. The commission understands that the facility may be owned by one person and operated by another. If the operator of the recycling facility is different than the owner, the requirement to submit the report is with the owner. The commission solicits comments on limiting the report submission requirement to only the recycling facility owner, or if an operator of a recycling facility may submit annual reports and obtain financial assurance.

Recycling and recycling facility definitions are proposed to consistently and concisely describe what is and is not considered recycling activities and a recycling facility. Unrecycled components concisely describes components from a wind turbine generator, a solar energy device, or a battery energy storage system that have been accepted but not recycled and includes offsite components the recycling facility has assumed control of. The commission specifically solicits comments on the proposed definitions.

§328.431, Reporting Requirements

Proposed new §328.431 establishes reporting and cost estimate requirements for the owner of a recycling facility that accepts, processes, and repurposes renewable energy components to recover valuable materials under proposed Subchapter M. Proposed new §328.431 implements THSC §376.003 as enacted by HB 3229, however, the commission proposes additional rules, described below, to provide consistency with other agency programs and clarity for regulated entities.

Section 328.431 requires the owner of a recycling facility to submit an annual report to the executive director by January 15 of each year, on forms prescribed by the executive director. Paragraphs (1) - (3), which implement THSC, §376.003(a)(1) - (3), provide the required contents of the report, including an inventory of all unrecycled components accepted but not yet recycled, an estimated timeline for recycling or disposal, and a written cost estimate. New THSC Chapter 376 is silent on the format of an annual report. The commission proposes requiring regulated entities to use an agency prescribed form, in accordance with the commission's general statutory authority, for consistency in information submitted to executive director's staff and as a way to provide additional instruction and guidance to the regulated community. The commission solicits comments on requiring the owners of recycling facilities to submit the annual report on an agency prescribed form.

Proposed new §328.431(3), which implements THSC, §376.003(a)(3), requires owners to submit a written cost estimate, in current dollars, prepared and certified by an independent professional engineer, and describes the elements required for the cost estimate. However, new THSC Chapter 376 is silent on whether the cost estimate must be in current dollars. Other agency programs that have financial assurance elements require the cost estimate be in current dollars. Examples include scrap tires recycling (30 TAC §328.71(a)), municipal solid waste recycling and disposal (30 TAC §328.5(c) and 30 TAC §330.503, respectively), and hazardous waste disposal (30 TAC §335.127, and §335.178). The commission proposes to require the cost estimate to be in current dollars, in accordance with the commission's general statutory authority, to ensure the cost estimate accurately calculates potential closure costs and financial assurance funding. The commission solicits comments on requiring cost estimates based in current dollars.

Additionally, other than "recycling or disposing of the [unrecycled] components," new THSC Chapter 376 is silent on the activities that must be included in the cost estimate and who must perform those activities. The commission proposes §328.431(3)(A) - (C) to require the cost estimate include the cost of hiring a third-party for offsite recycling or disposal of unrecycled components, including any disposal or recycling fees by the destination facility, and loading and transportation costs. If the commission must utilize financial assurance posted by a recycling facility, the commission would incur these costs by having a third-party remove and properly recycle or dispose of unrecycled components. The activities contained in the cost estimate are common items that are required in cost estimates prepared for other recycling programs, including scrap tire (30 TAC §328.71), municipal solid waste (30 TAC §328.5(c)). The commission solicits feedback on the activities that must be accounted for in cost estimates prepared under Subchapter M.

The owner of a recycling facility that has no inventory of unrecycled components must still submit the report to the executive director annually. New THSC Chapter 376 requires the commission to maintain a list of recycling facilities in compliance with THSC Chapter 376, therefore, any recycling facility (that manages renewable energy components during the year) must report their inventory, even if that inventory is zero. The agency will use these reports to establish and maintain on the agency's website a list of recycling facilities that are in compliance with THSC, Chapter 376.

§328.441, Financial Assurance Requirements

Proposed new §328.441 establishes financial assurance requirements for recycling facilities to ensure adequate funds are available for the commission to properly recycle or dispose of unrecycled components in the event that the owner fails to do so. Proposed new §328.441 implements THSC §376.003(b) and (c) as enacted by HB 3229.

New THSC Chapter 376 is silent on the procedures and process of demonstrating financial assurance. The commission proposes additional financial assurance requirements by utilizing existing commission financial assurance requirements, such as the specified wording of financial assurance mechanisms, and as further established in this rulemaking in 30 TAC Chapters 37 and 328.

Subsection (a) requires the owner of a recycling facility that accepts, processes, and repurposes components from renewable energy systems to provide financial assurance in accordance with Chapter 37, Subchapter J. The commission proposes Subsection (a) to direct and require the owner to comply with existing financial assurance requirements in Chapter 37. An owner must comply with requirements for financial assurance and mechanisms in 30 TAC Chapter 37, Subchapters A - D (except §§37.31, 37.131, 37.161, and 37.241(b) in accordance with §37.921(a)) and submit the proper financial assurance mechanism documentation with their report and cost estimate by January 15.

Subsection (b) requires the owner of the recycling facility to submit evidence of financial assurance with the first annual report in an amount equal to 100 percent of the cost estimate described under §328.431. For each subsequent one-year reporting period, the owner must adjust the financial assurance to ensure it remains at or above the cost estimate for the current year. Subsection (b) implements THSC §376.003(b).

Subsection (c) specifies that financial assurance mechanisms must comply with proposed amended §37.931. The financial assurance mechanisms authorized for recycling facilities subject to Subchapter M are proposed in §37.931(3). Acceptable forms of financial assurance include a corporate guarantee, a letter of credit, or a bond. Subsection (c) generally implements THSC §376.003(c), except that the commission proposes corporate guarantee in §37.931, instead of a parent company guaranty found in HB 3229. A parent company guaranty is a type of corporate guarantee. A corporate guarantee may be used to demonstrate financial assurance under existing financial assurance rules in 30 TAC Chapter 37. Under Chapter 37, a corporate guarantor must be the direct or higher-tier parent corporation or a firm with a substantial business relationship with the owner or operator. The commission proposes in §37.931 to allow an owner to use a corporate guarantee to demonstrate financial assurance for recycling facilities but proposes to limit the guarantor to a parent company in accordance with THSC §376.003(c). The wording of the mechanisms must comply with 30 TAC Chapter 37, Subchapter D.

Subsection (d) specifies the executive director will review and approve the cost estimate and documentation for the financial assurance mechanism. If deficiencies are noted in the cost estimate or financial assurance documentation, the executive director will communicate the deficiency within 30 days of receipt of the report. The owner will be required to make appropriate changes to the cost estimate and/or financial assurance mechanism and resubmit the revised documents, if deficiencies are noted. The executive director will include a deadline for revisions when communicating deficiencies. When approved, the executive director will communicate approval to the owner and publish the name of the recycling facility on the agency's website as required by HB 3229. To help ensure proper estimation and compliant financial mechanisms are submitted, draft cost estimates and financial assurance documents can be submitted for "preliminary" review by the executive director, as long as the final documents are submitted by January 15.

When reporting for subsequent years, increases or decreases to the facility's cost estimate and financial assurance will be handled in a similar manner as described above and following 30 TAC §37.141 and §37.151, with the exception of when the owner submits a decreased financial assurance mechanism. Updating financial assurance should generally be conducted with the annual report due by January 15. Updating financial assurance outside of this cycle should only occur if the owner needs to change the type of financial assurance mechanism or permanently terminate the mechanism and should not be used to lower financial assurance during the operating year.

Financial assurance must be terminated in accordance with 30 TAC §37.61. The owner must submit to the executive director a written request to terminate the financial assurance mechanism for the recycling facility and must include documentation that all unrecycled components have been recycled or disposed of and no additional components will be accepted. The executive director may conduct a site inspection to confirm the recycling facility has ceased operations and properly removed unrecycled components. If no issues are noted, the executive director will release the financial assurance mechanism. The owner should terminate the financial assurance only when ceasing operations with no plans on restarting. If an owner has no unrecycled components during a reporting period but plans to continue recycling operations, the owner may follow the procedures to decrease financial assurance instead of terminating their financial assurance.

For facilities that are required to obtain financial assurance under Subchapter M and financial assurance under another program, the owner may follow the allowances in §37.52. The universal mechanism must be a corporate guarantee, a letter of credit, or a bond, as required under proposed amended §37.931. And the existing financial assurance must cover the cost estimate activities in §328.431(a)(3). Additionally, the owner is still required to submit the annual report, including the cost estimate, and financial assurance documentation, to demonstrate adequate coverage under Subchapter M.

New THSC Chapter 376 is silent on whether the executive director would review and approve financial assurance mechanisms to satisfy the financial assurance requirements. The commission proposes to require cost estimates and financial assurance mechanisms to be reviewed and approved by the executive director, in accordance with the commission's general statutory authority, to provide consistency of financial assurance procedures across programs and to ensure sufficient funding is available in the event the commission must perform closure. The commission specifically solicits comments on the requirement that the executive director review and approve cost estimates, the review and approval described above, and the yearly adjustment processes described above.

Subsection (e) identifies the circumstances under which the owner of a recycling facility subject to Subchapter M is required to perform closure. New THSC Chapter 376 is silent on the circumstances under which the commission may call on the financial assurance. The purpose of financial assurance can only be implemented by making the commission the beneficiary of the financial assurance and allowing the commission to call on the financial assurance. Therefore, the commission proposes the circumstances under which an owner must perform closure and, if not properly conducted, the commission is authorized to call on the financial assurance in subsection (e). The com-

mission solicits comments on proposed Subsection (e) and the requirements when a recycling facility must perform closure.

The owner's failure to perform closure allows the executive director to call on the financial assurance under §37.101. When an owner has received a written violation from the commission, the owner will have an opportunity to address the violation(s), or receive an order from the commission. If the owner fails to address the violation(s), the owner will be required to perform closure as described in Subchapter M. The violation(s) include: 1) when unrecycled components have been speculatively accumulated; 2) when unrecycled components cause the discharge or imminent threat of discharge of contaminants into or adjacent to the waters in the state; 3) when unrecycled components create or maintain a nuisance; or 4) when unrecycled components endanger the public health and welfare. The owner must also perform closure when directed by the executive director. For the purpose of proposed Subchapter M, the term contaminant is consistent with the definition for "contaminant" in THSC §361.601. Speculative accumulation occurs when unrecycled components accumulate and have no feasible means of being recycled and when at least 75% by weight or volume of the accumulated unrecycled components remain unrecycled for the one-year reporting period.

Subsection (f) authorizes the executive director to receive and spend funds as the beneficiary of the financial assurance provided in accordance with this subchapter. HB 3229 requires the owner of the recycling facility to submit evidence of financial assurance to the agency. New THSC Chapter 376 is silent on whether the executive director may receive and spend funds to perform closure by removing unrecycled components in the event that the owner of the recycling facility fails to do so. Therefore, the commission proposes subsection (f) in accordance with the commission's general statutory authority and solicits comments on proposed subsection (f).

§328.451, Recordkeeping Requirements

Proposed new §328.451 establishes recordkeeping requirements for owners of recycling facilities subject to Chapter 328, Subchapter M. Under the proposed rule, the owner of a recycling facility is required to maintain records for a minimum of three years in addition to any local, state, or federal recordkeeping requirements. Examples of records include manifests, bills of lading, quantities of components recycled onsite or offsite, waste disposal records, or other documentation used in annual reports submitted to the executive director.

While new THSC Chapter 376 is silent on and does not establish specific recordkeeping requirements, the commission proposes required recordkeeping in accordance with the commission's general statutory authority to ensure recycling facilities maintain accurate and verifiable documentation of recycling and disposal activities. The commission solicits comments on the inclusion and necessity of recordkeeping requirements.

Fiscal Note: Costs to State and Local Government

Kyle Girten, Analyst in the Budget and Planning Division, has determined that for the first five-year period the proposed rule is in effect, no fiscal implications are anticipated for the agency or for other units of state or local government as a result of administration or enforcement of the proposed rule.

Public Benefits and Costs

Mr. Girten determined that for each year of the first five years the proposed rules are in effect, the public benefit will be rule language that is consistent with state law, specifically HB 3229 from the 89th Regular Legislative Session (2025). The proposed rulemaking is not anticipated to result in fiscal implications for individuals or businesses during the first five-year period the proposed rule is in effect.

Local Employment Impact Statement

The commission reviewed this proposed rulemaking and determined that a Local Employment Impact Statement is not required because the proposed rulemaking does not adversely affect a local economy in a material way for the first five years that the proposed rule is in effect.

Rural Community Impact Assessment

The commission reviewed this proposed rulemaking and determined that the proposed rulemaking does not adversely affect rural communities in a material way for the first five years that the proposed rules are in effect. The amendments would apply statewide and have the same effect in rural communities as in urban communities.

Small Business and Micro-Business Assessment

No adverse fiscal implications are anticipated for small or micro-businesses due to the implementation or administration of the proposed rule for the first five-year period the proposed rules are in effect.

Small Business Regulatory Flexibility Analysis

The commission reviewed this proposed rulemaking and determined that a Small Business Regulatory Flexibility Analysis is not required because the proposed rule does not adversely affect a small or micro-business in a material way for the first five years the proposed rules are in effect.

Government Growth Impact Statement

The commission prepared a Government Growth Impact Statement assessment for this proposed rulemaking. The proposed rulemaking does not create or eliminate a government program and will not require an increase or decrease in future legislative appropriations to the agency. The proposed rulemaking does not require the creation of new employee positions, eliminate current employee positions, nor require an increase or decrease in fees paid to the agency. The proposed rulemaking amends an existing regulation, and it does not create, expand, repeal, or limit this regulation. The proposed rulemaking does not increase or decrease the number of individuals subject to its applicability. During the first five years, the proposed rule should not impact positively or negatively the state's economy.

Draft Regulatory Impact Analysis Determination

The commission reviewed the proposed rulemaking action in light of the regulatory analysis requirements of Texas Government Code, §2001.0225, and determined that the action is not subject to Texas Government Code, §2001.0225 because it does not meet the definition of a "Major environmental rule" as defined in that statute. A "Major environmental rule" is a rule the specific intent of which is to protect the environment or reduce risks to human health from environmental exposure, and that may adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. The proposed new rules implement HB 3229 from the 89th Texas Legislature, Regular Session, 2025. HB 3229 requires the owner of a recycling facility that accepts, processes, and repur-

poses components from a wind turbine generator, a solar energy device, or a battery energy storage system to submit a report to the agency and provide financial assurance. The proposed rules implement HB 3229 by establishing the requirements for the submitted report and financial assurance. The reporting requirement and financial assurance requirement would apply to the owner of a recycling facility under THSC Chapter 376 in the absence of these rules. Because the proposed rules implement reporting and financial assurance requirements, the proposed rules do not change any existing requirements that protect the environment or reduce risks to human health from environmental exposure, nor do the proposed rules affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state.

As defined in the Texas Government Code, §2001.0225 only applies to a major environmental rule, the result of which is to: exceed a standard set by federal law, unless the rule is specifically required by state law; exceed an express requirement of state law, unless the rule is specifically required by federal law; exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; or adopt a rule solely under the general authority of the commission. The proposed rules do not exceed a standard set by federal law. The proposed amendments do not exceed an express requirement of state law or a requirement of a delegation agreement. These rules were not developed solely under the general powers of the agency but are authorized by specific sections of the Texas Government Code and TWC, that are cited in the statutory authority section of this preamble. Therefore, this rulemaking is not subject to the regulatory analysis provisions of Texas Government Code, §2001.0225(b).

The commission invites public comment regarding the Draft Regulatory Impact Analysis Determination during the public comment period. Written comments on the Draft Regulatory Impact Analysis Determination may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Takings Impact Assessment

The commission evaluated the proposed rulemaking and performed an analysis of whether Texas Government Code, Chapter 2007, is applicable. The proposed new rules implement HB 3229 from the 89th Texas Legislature, Regular Session, 2025. The proposed new rules in Chapter 328 do not affect private property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the proposed rules. The proposed rules in Chapter 328 establish reporting and financial assurance requirements for the owner of a recycling facility that accepts, processes, and repurposes components from a wind turbine generator, a solar energy device, or a battery energy storage system. Consequently, this rulemaking action does not meet the definition of a taking under Texas Government Code, §2007.002(5). Therefore, this rulemaking action will not constitute a taking under Texas Government Code, Chapter 2007.

Consistency with the Coastal Management Program

The commission reviewed the proposed rules and found that they are neither identified in Coastal Coordination Act Implementation Rules, 31 TAC §29.11(b)(2) or (4), nor will they affect any action/authorization identified in Coastal Coordination Act Implementation Rules, 31 TAC §29.11(a)(6). Therefore, the proposed rules are not subject to the Texas Coastal Management Program.

Written comments on the consistency of this rulemaking may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Announcement of Hearing

The commission will hold a hold a hybrid virtual and in-person public hearing on this proposal in Austin on April 23, 2026, at 10:00 a.m. in Building E, Conference Room E201S, at the commission's central office located at 12100 Park 35 Circle. The hearing is structured for the receipt of oral or written comments by interested persons. Individuals may present oral statements when called upon in order of registration. Open discussion will not be permitted during the hearing; however, commission staff members will be available to discuss the proposal 30 minutes prior to the hearing at 9:30 a.m.

Individuals who plan to attend the hearing virtually and want to provide oral comments and/or want their attendance on record must register by April 21, 2026. To register for the hearing, please email *Rules@tceq.texas.gov* and provide the following information: your name, your affiliation, your email address, your phone number, and whether or not you plan to provide oral comments during the hearing. Instructions for participating in the hearing will be sent on April 22, 2026, to those who register for the hearing.

For the public who do not wish to provide oral comments but would like to view the hearing may do so at no cost at:

https://events.teams.microsoft.com/event/3c2b83de-5109-4c02-9b48-680499d830cc@871a83a4-a1ce-4b7a-8156-3bcd93a08fba

Persons who have special communication or other accommodation needs who are planning to attend the hearing should contact Sandy Wong, Office of Legal Services at (512) 239-1802 or 1-800-RELAY-TX (TDD). Requests should be made as far in advance as possible.

Submittal of Comments

Written comments may be submitted to Vanessa Onyskow-Lang, MC 205, Office of Legal Services, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087, or faxed to *fax4808@tceq.texas.gov*. Electronic comments may be submitted at: *https://tceq.commentinput.com/comment/search*. File size restrictions may apply to comments being submitted via the TCEQ Public Comments system. All comments should reference Rule Project Number 2025-031-328-WS. The comment period closes at 11:59 p.m. on April 27, 2026. Please choose one of the methods provided to submit your written comments.

Copies of the proposed rulemaking can be obtained from the commission's website at *https://www.tceq.texas.gov/rules/propose_adopt.html*. For further information, please contact Jarita Sepulvado, Waste Permits Division, (512) 239-4413.

Statutory Authority

The new rules are proposed under Texas Water Code (TWC), §5.013, which establishes the general jurisdiction of the commission; §5.102, which provides the commission with the authority to carry out its duties and general powers under its jurisdictional authority as provided by TWC; §5.103, which requires the commission to adopt any rule necessary to carry out its powers and

duties under the TWC and other laws of the state; Texas Health and Safety Code (THSC) §361.011, which confers the commission authority for the management of municipal solid waste; and THSC §361.017, which confers the commission responsibility for the management of industrial solid waste and hazardous municipal waste and provides authority to control all aspects of the management of industrial solid waste and municipal hazardous waste by all practical and economically feasible methods consistent with its powers and duties under THSC Chapter 361 and other law, and THSC Chapter 376 which establishes requirements for renewable energy component recycling facilities.

The proposed rules implement House Bill (HB) 3229, 89th Texas Legislature, Regular Session, 2025, and THSC Chapters 361 and 376.

§328.401. Purpose.

The purpose of the rules in this subchapter is to establish procedures and requirements for recycling facilities that accept, process, and repurpose components to recover valuable materials from a wind turbine generator, a solar energy device, or a battery energy storage system.

§328.411. Applicability.

(a) This subchapter is applicable to a recycling facility that accepts, processes, and repurposes components to recover valuable materials from a wind turbine generator, a solar energy device, or a battery energy storage system.

(b) Compliance with provisions of this subchapter does not exempt nor exclude the applicability of other local, state or federal solid waste laws.

§328.421. Definitions.

The following terms, when used in this subchapter, have the following meanings.

(1) Battery energy storage system--A battery energy storage system, including battery cells, racks, containers, inverters, battery management systems, cooling and fire suppression systems, and cables.

(2) Closure--The act, outside of daily operations, of collecting all components accepted from a wind turbine generator, a solar energy device, or a battery energy storage system, including any components the recycling facility has taken title to or assumed control of regardless of whether the components are located at the recycling facility, and properly recycling or disposing of the components.

(3) Owner--The person who has title to the real property on which a recycling facility is located.

(4) Recycling--A process by which components of a wind turbine generator, solar energy device, or battery energy storage system, that have served their intended use or are scrapped, discarded, used, surplus, or obsolete are collected, separated, or processed and returned to use in the form of raw materials or feedstocks used in the manufacture of new products. A use of components that constitutes disposal or that releases contaminants into the environment is not recycling under this subchapter.

(5) Recycling facility--All contiguous land and structures, other appurtenances, and improvements on the land used for the recycling of components from a wind turbine generator, a solar energy device, or a battery energy storage system. The term includes a facility that has accepted or plans to accept unrecycled components for recycling and has not yet ceased operations.

(6) Solar energy device--A solar energy device, as defined by Utilities Code, §185.001, including solar modules, junction boxes, transformers, inverters, racks or trackers, and cables.

(7) Unrecycled components--Components from a wind turbine generator, a solar energy device, or a battery energy storage system that are accepted by the recycling facility for recycling that have not yet been recycled or used as a product. The term includes any components the recycling facility has taken title to or assumed control of regardless of whether the components are located at the recycling facility.

(8) Wind turbine generator--A wind turbine generator, including turbine blades, nacelles, nacelle covers, towers, drivetrains, generators, magnets, power electronics, and cables.

§328.431. Reporting Requirements.

Using forms prescribed by the executive director, the owner of a recycling facility that has accepted unrecycled components for recycling shall submit a report to the executive director no later than January 15 of each year that includes:

(1) an inventory of all unrecycled components;

(2) an estimated timeline for recycling or disposing of the unrecycled components; and

(3) a written cost estimate for hiring a third-party to recycle or dispose of the unrecycled components, prepared by an independent, third-party Texas licensed professional engineer, in current dollars, that includes:

(A) the cost for offsite recycling or disposal of the inventory of unrecycled components, including any fees charged by the destination facility;

(B) the cost for loading unrecycled components into appropriate vehicles for offsite transportation; and

(C) the cost for transporting unrecycled components offsite to an authorized recycling or disposal facility.

§328.441. Financial Assurance Requirements.

(a) Financial assurance required for closure of the recycling facility shall be provided by the owner of the recycling facility in accordance with applicable requirements of Chapter 37, Subchapter J of this title (relating to Financial Assurance for Recycling Facilities).

(b) The owner of the recycling facility shall:

(1) submit with the recycling facility's first report required by §328.431 of this title (relating to Reporting Requirements), evidence of financial assurance in an amount equal to 100 percent of the cost estimate described under §328.431 of this title; and

(2) submit with each subsequent report any additional financial assurance necessary to ensure that the amount of financial assurance the owner has on file with the commission for the recycling facility is at least equal to 100 percent of the cost estimate under §328.431 of this title in the subsequent report.

(c) The financial assurance mechanism used to secure financial assurance in accordance with this section must comply with §37.931 of this title (relating to Financial Assurance Mechanisms).

(d) The executive director will review and approve the cost estimate and financial assurance mechanism provided by the owner. If revisions are required for the executive director to approve, the owner must submit an appropriately revised cost estimate or financial assurance mechanism within timeframes specified by the executive director.

(e) Unless subject to a contrary provision of an order of the commission or an order of a court of competent jurisdiction, the owner of a recycling facility must perform closure:

(1) when unrecycled components have been speculatively accumulated as established under §328.4 of this title (relating to Lim-

itations on Storage of Recyclable Materials) or §335.17(a)(8) of this title (relating to Special Definitions for Recyclable Materials and Nonhazardous Recyclable Materials);

(2) if unrecycled components cause the discharge or imminent threat of discharge of a contaminant into or adjacent to waters in the state without specific authorization from the commission;

(3) if unrecycled components create or maintain a nuisance;

(4) if unrecycled components endanger the public health and welfare; or

(5) if directed to perform closure by the executive director.

(f) The executive director is authorized to receive and spend funds as a beneficiary of financial assurance established in this subchapter.

§328.451. Recordkeeping Requirements.

In addition to other applicable recordkeeping requirements under local, state, or federal law, the owner of a recycling facility must maintain records for activities conducted under this subchapter for a minimum of three years including but not limited to manifests, bills of lading, records of quantities of components recycled onsite or offsite, records of waste disposal, and any documentation used to establish the information reported to the executive director under §328.431 of this title (relating to Reporting Requirements). The owner of the recycling facility must furnish to the executive director, upon request and within a reasonable time, records maintained 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 March 13, 2026.

TRD-202601188
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 239-0682

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TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 12. TEXAS BOARD OF OCCUPATIONAL THERAPY EXAMINERS

CHAPTER 374. DISCIPLINARY ACTIONS/DETRIMENTAL PRACTICE/COMPLAINT PROCESS/CODE OF ETHICS/LICENSURE OF PERSONS WITH CRIMINAL CONVICTIONS

40 TAC §374.1

The Texas Board of Occupational Therapy Examiners proposes an amendment to 40 Texas Administrative Code §374.1, Disciplinary Actions.

The amendment to §374.1 will correct a typographical error to replace "4safety" with "safety" in subsection (d)(1)(B) of the section. The amendment is proposed to correct the typographical error in the provision.

FISCAL NOTE ON STATE AND LOCAL GOVERNMENTS

Ralph A. Harper, Executive Director of the Executive Council of Physical Therapy and Occupational Therapy Examiners, has determined that for the first five-year period the proposed amendment is in effect, there will be no fiscal impact to state or local governments as a result of enforcing or administering the amendment as proposed under Texas Government Code §2001.024(a)(4) because the amendment does not impose a cost on state or local governments.

LOCAL EMPLOYMENT IMPACT

Mr. Harper has determined that the proposed amendment would not impact a local economy. Therefore, a local employment impact statement is not required under Texas Government Code §2001.022 and §2001.024(a)(6).

PUBLIC BENEFIT AND COST NOTE

Mr. Harper has determined under Texas Government Code §2001.024(a)(5) that for each of the first five years the proposed amendment would be in effect, the public benefit will be enhanced orthographic accuracy in the section. There would not be an additional anticipated economic cost to persons required to comply with the proposed amendment because Texas Occupations Code Chapter 454, the Occupational Therapy Practice Act, already allows for the Board to impose an administrative penalty and proposed changes do not exceed that amount authorized by Texas Occupations Code §454.3521(b).

ECONOMIC IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES

Mr. Harper has determined there would be no costs or adverse economic effects on small businesses, micro-businesses, or rural communities. Therefore, no economic impact statement or regulatory flexibility analysis is required under Texas Government Code §2006.002.

TAKINGS IMPACT ASSESSMENT

Mr. Harper has determined that no private real property interests are affected by the proposed amendment and that the amendment does not restrict, limit, or impose a burden on an owner's rights to his or her private real property that would otherwise exist in the absence of government action. As a result, the amendment does not constitute a taking under Texas Government Code §2007.043.

GOVERNMENT GROWTH IMPACT STATEMENT

Mr. Harper has determined under Texas Government Code §2001.0221 that during the first five years the rule would be in effect:

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

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

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

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

(5) the rule will not create new regulations and will not repeal an existing regulation;

(6) the rule will not expand certain existing regulations or limit certain existing regulations;

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

(8) the rule will neither positively nor adversely affect this state's economy.

COSTS TO REGULATED PERSONS

The rule is not subject to Texas Government Code §2001.0045 because the rule is necessary to protect the health, safety, and welfare of the residents of this state and the Board is required to adopt a schedule of administrative penalties and other sanctions by rule pursuant to Texas Occupations Code §454.3025(a). The administrative penalties in the Schedule of Sanctions are necessary to deter the practice of occupational therapy in a manner detrimental to the public health and welfare. In addition, the rule does not impose a cost on another state agency, a special district, or a local government.

ENVIRONMENTAL IMPACT STATEMENT

Mr. Harper has determined that the proposed amendment does not require an environmental impact analysis because the rule is not a major environmental rule under Texas Government Code §2001.0225.

PUBLIC COMMENT

Comments on the proposed amendments may be submitted in writing to Lea Weiss, Occupational Therapy Coordinator, Texas Board of Occupational Therapy Examiners, 1801 Congress Ave Ste 10.900, Austin, Texas 78701 or to lea@ptot.texas.gov within 30 days following the publication of this notice in the *Texas Register*. Any interested person or a person required to comply with the proposed rule may submit information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis. It is requested when sending a comment that individuals include the rule section to which the comment refers and that comments sent by email include "Public Comment" in the email's subject line.

STATUTORY AUTHORITY

The amendment is proposed under Texas Occupations Code §454.102, which authorizes the Board to adopt rules to carry out its duties under Chapter 454. The amendment is also proposed under §454.3025, which requires the Board by rule to adopt a schedule of administrative penalties and other sanctions that the Board may impose under this chapter, and under §454.3521, which authorizes the Board to impose an administrative penalty, not to exceed $200 for each day a violation continues or occurs, under this chapter for a violation of this chapter or a rule or order adopted under this chapter.

CROSS REFERENCE TO STATUTE

No other statutes, articles, or codes are affected by the amendment.

§374.1. Disciplinary Actions.

(a) The board, in accordance with the Administrative Procedure Act, may deny, revoke, suspend, or refuse to renew or issue a license, or may reprimand or impose probationary conditions, if the licensee or applicant for licensure has been found in violation of the rules or the Act. The board will adhere to procedures for such action as stated in the Act, §§454.301, 454.302, 454.303, and 454.304.

(b) The board recognizes four levels of disciplinary action for its licensees.

(1) Level I: Order and/or Letter of Reprimand or Other Appropriate Disciplinary Action (including but not limited to community service hours).

(2) Level II: Probation--The licensee may continue to practice while on probation. The board orders the probationary status which may include but is not limited to restrictions on practice and continued monitoring by the board during the specified time period.

(3) Level III: Suspension--A specified period of time that the licensee may not practice as an occupational therapist or occupational therapy assistant. Upon the successful completion of the suspension period, the license will be reinstated upon the licensee successfully meeting all requirements.

(4) Level IV: Revocation--A determination that the licensee may not practice as an occupational therapist or occupational therapy assistant. Upon passage of 180 days, from the date the revocation order becomes final, the former licensee may petition the board for re-issuance of a license. The former licensee may be required to re-take the Examination.

(c) The board shall utilize the following schedule of sanctions in all disciplinary matters.
Figure: 40 TAC §374.1(c) (No change.)

(d) The board shall consider the following factors in conjunction with the schedule of sanctions when determining the appropriate penalty/sanction in disciplinary matters:

(1) the seriousness of the violation, including:

(A) the nature, circumstances, extent, and gravity of the violation; and

(B) the hazard or potential hazard created to the health, safety [~~4safety~~], or economic welfare of the public;

(2) the history of previous violations;

(3) the amount necessary to deter future violations;

(4) efforts to correct the violation;

(5) the economic harm to the public interest or public confidence caused by the violation;

(6) whether the violation was intentional; and

(7) any other matter that justice requires.

(e) Licensees who provide occupational therapy services are responsible for understanding and complying with Chapter 454 of the Occupations Code (the Occupational Therapy Practice Act), and the Texas Board of Occupational Therapy Examiners' rules.

(f) Final disciplinary actions taken by the board will be routinely published as to the names and offenses of the licensees.

(g) A licensee who is ordered by the board to perform certain act(s) will be monitored by the board to ensure that the required act(s) are completed per the order of the board.

(h) The board may expunge any record of disciplinary action taken against a license holder before September 1, 2019, for practicing in a facility that failed to meet the registration requirements of §454.215 of the Act (relating to Occupational Therapy Facility Registration), as

that section existed on January 1, 2019. The board may not expunge a record under this subsection after September 1, 2021.

(i) A licensee or applicant is required to report to the board a felony of which he/she is convicted within 60 days after the conviction occurs.

(j) A licensee shall submit to the board a copy of any judgment or settlement in a malpractice claim or any disciplinary action taken against the licensee by a licensing authority of another territory or state of the U.S. within 30 days after the judgment, settlement, or disciplinary action is signed.

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 March 13, 2026.

TRD-202601210
Ralph A. Harper
Executive Director
Texas Board of Occupational Therapy Examiners
Earliest possible date of adoption: April 26, 2026
For further information, please call: (512) 305-6900

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PART 20. TEXAS WORKFORCE COMMISSION

CHAPTER 809. CHILD CARE SERVICES SUBCHAPTER F. FRAUD FACT-FINDING AND IMPROPER PAYMENTS

40 TAC §§809.111 - 809.117

The Texas Workforce Commission (TWC) proposes amendments to the following sections of Chapter 809, relating to Child Care Services:

Subchapter F. Fraud Fact-Finding and Improper Payments, §§809.111 - 809.115 and 809.117

TWC proposes the following new section to Chapter 809, relating to Child Care Services:

Subchapter F. Fraud Fact-Finding and Improper Payments, §809.116

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the proposed Chapter 809 rule change is to strengthen the integrity of the child care services program by enhancing fraud detection, prevention, and enforcement mechanisms. The amendments clarify procedures for investigating suspected fraud, specify corrective actions, establish clear accountability measures for Local Workforce Development Boards (Boards), and reinforce TWC's authority to recover improper payments. These changes are designed to safeguard public funds and ensure that child care subsidies are directed to eligible Texas families and qualified providers.

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 F. FRAUD FACT-FINDING AND IMPROPER PAYMENTS

TWC proposes the following amendments to Subchapter F:

§809.111. General Fraud Fact-Finding Procedures

Section 809.111 is amended to clarify TWC's authority over fraud cases and its oversight role with Boards and to better align the definition of fraud. Amendments to §809.111 also include technical corrections regarding the use of "Agency" and "Commission."

Section 809.111(b) is amended to redefine the knowledge standard for fraud from "knowing it to be false" to "knew or should have known" standard, consistent with program integrity best practices.

Section 809.111(e), (f), and (g) are amended to clarify TWC's procedures and Board responsibilities for reporting, investigating, and documenting cases of suspected fraud.

New §809.111(h) explicitly states TWC's jurisdiction to intervene in fraud cases when a Board fails to adhere to established procedures or needs assistance.

New §809.111(i) requires Fraud Deterrence and Compliance Monitoring approval before a Board restricts a provider's eligibility to provide Commission-funded child care services due to a finding of fraud, which will allow TWC to ensure consistent standards are applied.

§809.112. Suspected Fraud

Section 809.112 is amended to make several technical edits including correcting the use of "Agency" and "Commission," clarifying that suspected fraud includes payments, clarifying what constitutes suspected fraud, and removing reference to specific eligibility periods.

§809.113. Action to Prevent or Correct Suspected Fraud

Section 809.113 is amended to more clearly delineate the corrective actions that TWC or a Board may take against a provider versus a parent when fraud is found. A key amendment adds language allowing TWC to prohibit future eligibility for providers or individuals who are connected with a program determined to have committed fraud, and is a critical tool to prevent fraudulent actors from reentering the program under a new business name.

§809.114. Failure to Comply with Commission Rules and Board Policies

Section 809.114 is renamed "Failure to Comply with Commission Rules and Agency and Board Policies."

Section 809.114 is amended to require parents and providers to comply with TWC's policies, to include "other contracted entity" to the list of parties subject to corrective action, which reinforces that all entities involved in the child care system must comply with Commission rules. New §809.114(d) requires Boards to develop and implement a plan to monitor child care providers compliance with Commission rules and TWC and Board policies. The monitoring plan must include in-person site visits. New subsection (e) clarifies the authority for the Director of Child Care Services to issue corrective actions or sanctions for a Board's failure to comply with the requirements of Chapter 809.

§809.115. Corrective Adverse Actions

Section 809.115 is amended to make several technical edits including correcting the use of "Agency" and "Commission."

§809.116. Referral for Criminal Prosecution

New §809.116 is added to mandate that Boards refer cases of fraud to prosecutors for criminal prosecution in accordance with TWC policy. New §809.116 strengthens the program's stance against fraud by pursuing legal consequences beyond administrative recovery and requires that such referrals be documented in TWC's case management system.

§809.117. Recovery of Improper Payments to a Provider or Parent

Section 809.117 is amended to clarify the responsibilities for recovering improper payments, assigning recovery efforts to the entity that issued the determination (either TWC or the Board).

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 strengthen the integrity of the child care services program by enhancing fraud detection, prevention, and enforcement mechanisms.

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 proposed rules.

Jason Stalinsky, Director, Fraud Deterrence and Compliance Monitoring, 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 enhance the integrity of the child care services program by clarifying the Boards' responsibilities and better protect public funds from fraud, waste, and abuse ensuring that financial assistance is reserved for eligible families and children.

PART IV. 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 April 27, 2026.

PART V. PUBLIC COMMENTS

Comments on the proposed rules may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than April 27, 2026.

PART VI. STATUTORY AUTHORITY

The rules are proposed under the authority of:

--Texas Labor Code, §301.192, which requires TWC to ensure that corrective action is taken against a child care provider or parent who commits fraud; and

--Texas Labor Code, §301.0015(6) 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 proposed rules relate to Texas Labor Code, Title 4, particularly Chapters 301 and 302, and Texas Government Code, Chapter 2308.

§809.111. General Fraud Fact-Finding Procedures.

(a) This subchapter establishes [~~authority for~~]:

(1) procedures for the Agency to issue fraud determinations and take appropriate corrective actions involving Commission-funded child care, including child care quality improvement activities, child care statewide initiatives, and child care special projects pursuant to the Agency's authority under Texas Labor Code, §§301.191, 301.192, and 301.201; and

(2) requirement for a Board to develop procedures for the prevention of fraud by a parent, provider, or any other person in a position to commit fraud consistent with fraud prevention provisions in the Agency-Board Agreement.

(b) In this subchapter, a person commits fraud if, to obtain or increase a benefit or other payment, either for the person or another person, the person:

(1) makes a false statement or representation that the person knew or should have known was [~~, knowing it to be~~] false; or

(2) fails to disclose a fact when the person knew or should have known the fact was material [~~knowingly fails to disclose a material fact~~].

(c) A Board shall ensure that procedures for researching and fact-finding for possible fraud are developed and implemented to deter and detect suspected fraud for child care services in the workforce area.

(d) These procedures shall include provisions that suspected fraud is reported to the Agency [~~Commission~~] in accordance with Agency [~~Commission~~] policies and procedures.

(e) The Board shall report cases of suspected fraud identified by the Board to the Agency and shall conduct fact-finding in accordance with Agency policies and procedures. [~~Upon review of suspected fraud reports, the Commission may either accept the case for investigation and action at the state level, or return the case to the Board or its child care contractor for action including, but not limited to, the following:~~]

[~~(1) further fact-finding; or~~]

[~~(2) other corrective action as provided in this chapter or as may be appropriate.~~]

(f) The Board shall review and complete fact-finding for all cases of suspected fraud that the Agency refers to the Board [~~ensure that a final fact-finding report is submitted to the Commission after a case is returned to the Board or its child care contractor and all feasible avenues of fact-finding and corrective actions have been exhausted.~~]

(g) The Board shall document all cases of suspected fraud, including cases referred to the Board, in the Agency's case management system. The Board shall include in this documentation information on fact finding, determinations, appeals, decisions, and improper payment recovery in accordance with Agency policies and procedures.

(h) The Agency retains jurisdiction over fraud cases and can intervene in a case if a Board fails to follow Agency policies and procedures or if a Board requires assistance.

(i) A Board must notify the Fraud Deterrence and Compliance Monitoring Division and receive approval before issuing a determination that removes, limits, or prohibits a provider from providing Commission-funded child care services due to a finding of fraud. A determination issued without the required approval cannot become final.

§809.112. Suspected Fraud.

(a) A parent, provider, or any other person in a position to commit fraud may be suspected of fraud if the person presents or causes to be presented to the Agency, Board, or its child care contractor one or more of the following items:

(1) A request for payment or reimbursement in excess of the amount charged by the provider for the child care; or

(2) An application, document, record, or statement related to the eligibility to receive or provide child care services or to receive payment of child care funds, [~~A claim for child care services~~] if evidence indicates that the person may have:

(A) known, or should have known, that child care services were not provided as claimed;

(B) known, or should have known, that information provided is false or fraudulent;

(C) received child care services during a period in which the parent or child was not eligible for services;

(D) known, or should have known, that child care subsidies were provided to a person not eligible to be a provider; or

(E) otherwise indicated that the person knew or should have known that the actions were in violation of this chapter or state or federal statute or regulations relating to child care funds [~~services~~].

(b) The following parental actions may be grounds for suspected fraud [~~and cause for Boards to conduct fraud fact-finding or the Commission to initiate a fraud investigation~~]:

(1) Not reporting or falsely reporting at initial eligibility or at eligibility redetermination:

(A) household composition, or income sources or amounts that would have resulted in ineligibility or a higher parent share of cost; or

(B) work, training, or education hours that would have resulted in ineligibility; or

(2) Not reporting during the [~~12-month~~] eligibility period inclusive of the 90-day [~~three-month~~] initial job search period, if applicable:

(A) changes in income or household composition that would cause the family income to exceed 85 percent of SMI (taking into consideration fluctuations of income); or

(B) a permanent loss of job or cessation of training or education that exceeds 90-days [~~three-months~~]; or

(C) improper or inaccurate reporting of attendance.

§809.113. Action to Prevent or Correct Suspected Fraud.

(a) The Agency [~~Commission~~] or Board may take the following actions pursuant to Agency [~~Commission~~] policy if the Agency [~~Commission~~] or Board finds that a provider has committed fraud:

(1) Temporarily or permanently [~~Temporary~~] withholding [~~of~~] payments to the provider for child care services delivered;

[~~(2) Nonpayment of child care services delivered;~~]

(2) [~~(3)~~] Recoupment of funds from the provider;

(3) [(4)] Stop authorizing care at the provider's facility or location;

(4) [(5)] Prohibiting future eligibility to provide Commission-funded child care services or to participate in the management, ownership, or operation of a provider engaged in Commission-funded child care services for any of the following:[; or]

(A) the provider;

(B) an owner, director, or board member of the provider;

(C) an individual who, either alone or in connection with others, has the ability to influence or direct the management, expenditures, or policies of the provider;

(D) a family member of subparagraph (A), (B), or (C) of this paragraph; or

(E) an individual who was found to have engaged, aided, or abetted in the fraudulent activities; or

(5) [(6)] Any other action consistent with the intent of the governing statutes or regulations to investigate, prevent, or stop suspected fraud.

(b) The Agency [Commission] or Board may take the following actions pursuant to Agency [Commission] policy if the Agency [Commission] or Board finds that a parent has committed fraud:

(1) recouping funds from the parent;

(2) prohibiting future child care eligibility, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care;

(3) limiting the enrollment of the parent's child to a regulated child care provider;

(4) terminating care during the [12-month] eligibility period if eligibility was determined using fraudulent information provided by the parent; or

(5) any other action consistent with the intent of the governing statutes or regulations to investigate, prevent, or stop suspected fraud.

§809.114. Failure to Comply with Commission Rules and Agency and Board Policies.

(a) The Board shall ensure that parents and providers comply with Commission rules and Agency and Board policies.

(b) The Agency [Commission], Board, or Board's child care contractor may consider failure by a provider, [or] parent, or other contracted entity to comply with this chapter as an act that may warrant corrective and adverse action as detailed in §809.115 of this subchapter [(relating to Corrective Adverse Actions)].

(c) Failure by a provider, [or] parent, or other contracted entity to comply with this chapter shall also be considered a breach of contract, which may also result in corrective action as detailed in this subchapter.

(d) The Board shall develop and implement a system to monitor providers for compliance with Commission rules and Agency and Board policies. The monitoring system must include in-person site visits to providers.

(e) The Agency may issue an intent to sanction, a sanction, a penalty, or other corrective action if a Board does not comply with the requirements of this chapter subject to the rules and procedures set forth in Chapter 802, Subchapters G and H of this title, except to the extent that such sections are clearly inapplicable or contrary to provisions set out under this chapter. The Director of the Agency's Child Care Services Division determines whether a corrective action or sanction shall be imposed, including whether it is appropriate to impose a sanction level on the Board and whether it is appropriate to assign a penalty.

§809.115. Corrective Adverse Actions.

(a) When determining appropriate corrective actions, the Agency, Board, or Board's child care contractor shall consider:

(1) the scope of the violation;

(2) the severity of the violation; and

(3) the compliance history of the person or entity.

(b) Corrective actions for providers may include, but are not limited to, the following:

(1) Closing intake;

(2) Moving children to another provider selected by the parent;

(3) Withholding provider payments or reimbursement of costs incurred; and

(4) Recoupment of funds.

(c) When a provider violates a provision of Subchapter E of this chapter, a written Service Improvement Agreement may be negotiated between the provider and the Board or the Board's child care contractor. At the least, the Service Improvement Agreement shall include the following:

(1) The basis for the Service Improvement Agreement;

(2) The steps required to reach compliance including, if applicable, technical assistance;

(3) The time limits for implementing the improvements; and

(4) The consequences of noncompliance with the Service Improvement Agreement.

(d) The Board shall develop policies and procedures to ensure that the Board or the Board's child care contractor take corrective action consistent with subsections (a) - (c) of this section against a provider when a provider performs the attendance reporting function on behalf of a parent.

(e) The Board shall develop policies and procedures to require the Board's child care contractor to take corrective action consistent with subsections (a) - (c) of this section against a parent when a parent violates the Commission rules and Agency procedures related to attendance reporting.

§809.116. Referral for Criminal Prosecution.

(a) A Board shall refer cases of fraud, in accordance with Agency policies and procedures, to federal, state, and/or local prosecutors for criminal prosecution.

(b) The Board shall document the referral and subsequent updates in the Agency's case management system in accordance with Agency policies and procedures.

§809.117. Recovery of Improper Payments to a Provider or Parent.

(a) A Board must [shall] attempt recovery of all improper payments as defined in §809.2 of this chapter, that were identified in a Board-issued determination or decision. The Agency must attempt recovery of all improper payments as defined in §809.2 of this chapter, that were identified in an Agency-issued determination or decision.

(b) Recovery of improper payments shall be managed in accordance with Agency [~~Commission~~] policies and procedures.

(c) The provider shall repay improper payments for child care services received in the following circumstances:

(1) Instances involving fraud;

(2) Instances in which the provider did not meet the provider eligibility requirements in this chapter;

(3) Instances in which the provider was paid for the child care services from another source;

(4) Instances in which the provider did not deliver the child care services;

(5) Instances in which referred children have been moved from one facility to another without authorization from the child care contractor; and

(6) Other instances when repayment is deemed an appropriate action.

(d) A parent shall repay improper payments for child care only in the following circumstances:

(1) Instances involving fraud as defined in this subchapter;

(2) Instances in which the parent has received child care services while awaiting an appeal and the determination is affirmed by the hearing officer; or

(3) Instances in which the parent fails to pay the parent share of cost and the Board's policy is to pay the provider for the parent's failure to pay the parent share of cost.

(e) A Board shall ensure that a parent subject to the repayment provisions in subsection (d) of this section shall prohibit future child care eligibility until the repayment amount is recovered, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care.

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 March 10, 2026.

TRD-202601148
Les Trobman
General Counsel
Texas Workforce Commission
Earliest possible date of adoption: April 26, 2026
For further information, please call: (737) 301-9662



ADOPTED RULES

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

TITLE 4. AGRICULTURE

PART 1. TEXAS DEPARTMENT OF AGRICULTURE

CHAPTER 7. PESTICIDES

SUBCHAPTER B. REGISTRATION

4 TAC §7.10

The Texas Department of Agriculture (the Department) adopts amendments to the Texas Administrative Code, Title 4, Part 1, Chapter 7, Subchapter B (Registration), §7.10, relating to Registration of Pesticides. The amendments to §7.10 are adopted without changes to the proposed text as published in the December 12, 2025 issue of the *Texas Register* (50 TexReg 7965) and will not be republished.

The adopted amendments to §7.10 add a new subsection(g) to the rule allowing pesticide registrants to cancel a registration of a pesticide by either discontinuing its registration or initiating a recall to remove it from the channels of trade, as well as make conforming formatting changes to the remainder of the rule. The adopted amendments to §7.10 align this rule with Section 76.041 of the Texas Agriculture Code.

The Department did not receive any public comments concerning the proposed amendments.

The amendments are adopted pursuant to Section 76.004 of the Texas Agriculture Code (Code), which allows the Department to adopt rules for carrying out provisions of Chapter 76 of the Code.

Chapter 76 of the Texas Agriculture Code is affected by the adoption.

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

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

TRD-202601230
Susan Maldonado
General Counsel
Texas Department of Agriculture
Effective date: April 5, 2026
Proposal publication date: December 12, 2025
For further information, please call: (512) 463-6591

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TITLE 16. ECONOMIC REGULATION

PART 2. PUBLIC UTILITY COMMISSION OF TEXAS

CHAPTER 22. PROCEDURAL RULES

The Public Utility Commission of Texas (commission) adopts amendments to 16 procedural rules and repeals one rule in 16 Texas Administrative Code (TAC) Chapter 22. The commission adopts the following rules with changes to the proposed text as published in the October 3, 2025 issue of the *Texas Register* (50 TexReg 6397): §22.201, relating to Place and Nature of Hearings; §22.205, relating to Briefs; §22.207, relating to Referral to State Office of Administrative Hearings; §22.225, relating to Written Testimony and Accompanying Exhibits; §22.241, relating to Investigations; §22.244, relating to Review of Municipal Electric Rate Actions; §22.246, relating to Administrative Penalties; §22.261, relating to Proposals for Decision; §22.262, relating to Commission Action After a Proposal for Decision; §22.264, relating to Rehearing; §22.281, relating to Initiation of Rulemaking; and §22.282, relating to Notice and Public Participation in Rulemaking Procedures. These rules will be republished.

The commission adopts the following rules with no changes to the proposed text as published in the October 3, 2025 issue of the *Texas Register* (50 TexReg 6397): §22.204, relating to Transcript and Record; §22.221, relating to Rules of Evidence in Contested Cases; §22.228, relating to Stipulation of Facts; and §22.263, relating to Final Orders. These rules will not be republished.

The commission adopts one repeal with no changes to the proposed text as published in the October 3, 2025 issue of the *Texas Register* (50 TexReg 6397): §22.248, relating to Retail Public Utilities. This rule will not be republished.

Section 22.246 is a competition rule subject to judicial review as specified in PURA §39.001(e).

The commission received comments on the proposed rule from Entergy Texas Inc. (ETI); the Lower Colorado River Authority and LCRA Transmission Services (collectively, LCRA); the Office of Public Utility Counsel (OPUC); Oncor Electric Delivery Company LLC (Oncor); and The Texas Association of Water Companies, Inc. (TAWC).

General Changes

The adopted rules include various clerical and grammatical changes, as well as changes to outdated rules, statutes, or certain terms. Changes are also made to conform rules, where applicable, to the updated electronic filing requirements specified under §22.71, relating to Commission Filing Requirements and Procedures, and §22.72, relating to Form Standards for Documents Filed with the Commission, of this title.

Place and Nature of Hearings

Adopted §22.201 is revised to authorize virtual hearings if the presiding officer determines that it is in the public interest. Adopted §22.201 also authorizes the presiding officer to hold virtual prehearing conferences and requires in-person or virtual pre-hearing conferences at SOAH to be conducted in accordance with commission rules.

Transcript and Record

Adopted §22.204 is revised to omit reference to the commission setting rates for purchase of official transcript copies from the official reporter. Adopted §22.204 is also revised to establish that, following an objection to a change to the record, any change to the record may only be made as ordered by the presiding officer.

Briefs

Adopted §22.205 is revised to require briefs to conform to the formatting requirements for pleadings under §22.72 of this title. Adopted §22.205 requires briefs that exceed ten pages to include a table of contents with page numbers and authorizes the presiding officer to require parties to address certain issues or address issues in a specific order or format.

Referral to State Office of Administrative Hearings

Adopted §22.207 is revised to clarify that the utility division of SOAH will conduct prehearing conferences as well as hearings related to contested cases before the commission, other than a prehearing conference conducted by a commission administrative law judge (ALJ) or one or more commissioners. Adopted §22.207 is also revised to clarify that, at the time SOAH receives jurisdiction or as soon as is reasonably practicable thereafter, the commission will provide to the SOAH ALJ a list of issues or areas that must be addressed. Adopted §22.207 further clarifies that the commission may identify and provide to the SOAH ALJ additional issues or areas that must be addressed at any time.

Written Testimony and Accompany Exhibits

Adopted §22.225 is revised to establish that, unless otherwise ordered by the presiding officer, a witness offering written prefiled testimony must be sworn and be asked whether the written testimony is a true and accurate representation of what the testimony would be if the testimony were to be given orally at the time the written testimony is offered into evidence.

Investigations

Adopted §22.241 is revised to establish that the commission may at any time institute formal investigations on its own motion, or the motion of commission staff, into any matter within the commission's jurisdiction.

Review of Municipal Electric Rate Actions

Adopted §22.241 is revised to clarify that petitions for review of municipal electric rate actions require the printed or typed name, telephone number, street or rural route address, and if available, the email address and facsimile transmission number of each signatory

Administrative Penalties

Adopted §22.246 is revised to effectuate changes to the distribution of disgorged excess revenues in the electric wholesale market by the independent organization. Specifically, adopted §22.246 is revised omit language allocating load of wholesale electric market participants that are no longer active prior to the calculation of load proportions to still-active market participants.

Adopted §22.246 is also revised to authorize the commission to, upon a determination that other wholesale electric market participants are affected or a different distribution method is appropriate, direct the independent organization to distribute the excess revenue to affected wholesale market participants using a different distribution method in the same or subsequent proceeding.

Final Orders

Adopted §22.263 is revised to establish that parties will be notified of a commission final order as required by APA and §22.74 of this title, relating to Service of Pleadings and Documents, to the extent that provision does not conflict with the APA.

Initiation of Rulemaking

Adopted §22.281 is revised to clarify that rulemaking petitions that do not comply with the section, such a filing will be construed as a policy recommendation and not as a petition for rulemaking under the APA or the commission rule. Adopted §22.281 is also revised to establish that commission staff will open a general project for rulemaking petitions and post the control number on the commission's website, including procedures for administration of such petitions by commission staff and default deadlines for comment. Adopted §22.281 is further revised to authorize commission staff to host workshops or publish questions for comment, or draft rule language without express direction from the commission.

Notice and Public Participation in Rulemaking Procedures

Adopted §22.282 is revised to clarify the process for the solicitation of informal comments on commission rulemakings prior to initiating a formal rulemaking under the APA. Adopted §22.282 is also revised to authorize commission staff to, after a formal rulemaking has been initiated but prior to adoption, extend comment or public hearing request deadlines, request reply comments, or provide additional comment filing instructions in a rulemaking project. Adopted §22.282 is further revised to authorize the commission to consider a staff rulemaking recommendation or take action on a rulemaking even if commission staff does not file its final recommendation at least seven days prior to the open meeting where the rulemaking is scheduled to be considered.

General Comments

Internal cross-references to commission rules

OPUC recommended that internal cross-references to other commission rules refer to the applicable chapter of the Texas Administrative Code, rather than the overall title (i.e., "§ 22.74 of this title" should be revised to "§ 22.74 of this chapter." OPUC stated the applicable title for commission rules would be "Title 16, Economic Regulation" and therefore include rules of at least six different State of Texas agencies. OPUC noted that "of this chapter" is the correct reference in most instances, as that would refer to Chapter 22, under Part 2 of Title 16 which is the appropriate reference.

Commission response

The commission declines to implement the recommended change. Across the Texas Administrative Code there may be several instances of a specific chapter. For instance, "Chapter 22" appears in Title 1, Title 4, Tile 13, Title 16, Title 19, Title 28, and Title 43. The reference to "Title 16" is intended to ensure the Chapter 22 that is applicable to the commission rules. For this reason, the usage of "of this title" is common practice among Texas state agencies (e.g., Title 16, Part 1, Chapter 3 of the Texas Railroad Commission's rules and Title 30, Part 1, Chapter

290 of the Texas Commission on Environmental Quality's rules both use the phrase "of this title" over 200 times and "of this chapter" less than five times).

Usage of the terms "shall" vs. "must"

OPUC recommended that the term "shall" be preserved across the Chapter 22 rules, rather than be replaced with specific instances of "must" or "will," unless otherwise appropriate to do so in accordance with the Texas Code Construction Act. OPUC maintained that the Legislature intentionally used the term "shall" when drafting the statutes that underpin the commission's rules, even as recently as the last legislative session. Accordingly, if the Legislature had meant to use a different term, then it would have done so explicitly. OPUC further contended that the Texas Code Construction Act provides clear, separate definitions of "shall" and "must" and therefore the terms are not interchangeable. OPUC noted that if the Legislature intended the terms to be interchangeable, then it would have clearly stated that in the same manner that "may not" and "shall not" are. OPUC also commented that "shall" is not an antiquated term, given that other current bodies of law--such as the Texas Rules of Civil Procedure, Texas Disciplinary Rules of Professional Conduct, and Texas Code of Judicial Conduct--all use the term "shall."

Commission response

The commission declines to implement the recommended change. The commission acknowledges the general applicability of the TCCA to the commission's rules. See Texas Government Code §311.002(4) (applying the TCCA to "each rule adopted under a code"). However, forgoing use of the term "shall" or replacing the term with "may," "must," or another contextually relevant term is appropriate and not inconsistent with the TCCA. As indicated by OPUC, the TCCA does separately indicate a specific construction for the terms "may," "shall," "must," and "may not" under Texas Government §311.016(1)-(3) and (5). However, the statute also establishes that: "[t]he following constructions apply unless the context in which the word or phrase appears necessarily requires a different construction or unless a different construction is expressly provided by statute." This provision indicates a general level of flexibility in usage and interpretation of various modal verbs. More importantly, the TCCA does not require the usage of "shall" as opposed to "must" or "may" when implementing statutes in agency rules. Therefore, the commission is not prohibited by law from utilizing other modal verbs to replace "shall." Lastly, commenters have not identified instances where the usage of a different modal verb has resulted in ambiguity as to the intended meaning.

Proposed §22.201 - Place and Nature of Hearings

Proposed §22.201 establishes the form and manner for hearings held at the commission and at the State Office of Administrative Hearings (SOAH).

Proposed §22.201(a) and §22.201(b) - Commission-held hearings and Hearings held at SOAH

Proposed §22.201(a) establishes that all commission-held hearings will be held in person and in Austin, unless the commission determines that it is in the public interest to hold a hearing elsewhere or virtually. The provision further authorizes the presiding officer to issue a written order authorizing a prehearing conference to be conducted virtually. Proposed §22.201(b) establishes that a hearing held at SOAH will be conducted in accordance with commission rules.

LCRA recommended that proposed §22.201(a) be revised to add more specific conditions for the authorization of virtual hearings to ensure such hearings are held upon request and in appropriate circumstances. Specifically, LCRA recommended virtual hearings held at the commission be additionally conditioned upon the motion of a party and a subsequent commission determination that good cause exists to hold a virtual hearing. LCRA provided draft language consistent with its recommendation. Similar to its recommendation for proposed §22.201(a), LCRA also recommended that proposed §22.201(b) be revised to add a condition that virtual hearings held at SOAH be based upon a determination by the presiding officer that good cause exists to hold a virtual hearing. LCRA provided draft language consistent with its recommendation.

Commission response

The commission declines to implement LCRA's recommended changes as they are unnecessary. The form and manner of a commission-held hearing should be left to the discretion of the commission and, as applicable, SOAH.

OPUC recommended proposed §22.201(a) be revised to require the agreement of all parties as a prerequisite to holding a virtual hearing or virtual prehearing conference. OPUC further recommended proposed §22.201(a) be revised to authorize virtual hearings only to the extent a virtual hearing does not preclude a party's right to be heard in person under PURA §14.056. OPUC expressed concern that virtual hearings could "preclude in-person hearings over the objection of one or more intervenor rate payers because it is deemed to be in the 'public interest.'" OPUC acknowledged that virtual hearings may save avoidable litigation expenses such as travel costs, including rate case expenses that would otherwise be passed on to ratepayers. Therefore, virtual hearings should be conditioned upon the agreement of all the parties. OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change because it is unnecessary. The first sentence in §22.201(a) already authorizes the commission to hold virtual hearings as a general matter. Moreover, PURA §14.056 neither prohibits the commission from holding a virtual hearing nor does it require agreement by all the parties for such prehearing conferences to be held. The statute provides: "[e]ach party to a proceeding before a regulatory authority is entitled to be heard by attorney or in person" and has been in PURA since at least 1995, prior to the innovation of virtual hearings. As such, the provision does not prohibit the holding of hearings virtually; it only provides the right for parties to participate in commission proceedings with or without an attorney. Stated differently, it ensures public participation by allowing pro se individuals to participate in commission proceedings.

OPUC recommended proposed §22.201(b) be revised to authorize virtual prehearing conferences. OPUC stated that currently the majority of prehearing conferences at SOAH are held virtually. OPUC stated that in Project No. 58400, the commission proposed to define the term "hearing" as "[a]ny proceeding at which evidence is taken on the merits of the matters at issue, not including prehearing conferences" and the term "prehearing conference" as "[a]ny conference or meeting of the parties, prior to the hearing on the merits, on the record and presided over by the presiding officer." OPUC explained that if those separate definitions are adopted, then not including prehearing conferences in

proposed §22.201(b) could "inadvertently preclude SOAH from continuing to hold those proceedings virtually." The commission notes that these definitions have since been adopted as proposed in Project No. 58400. OPUC provided draft language consistent with its recommendation.

Commission response

The commission implements OPUC's recommended change for clarity.

New §22.201(c)

OPUC recommended that a new subsection §22.201(c) be added to the rule which would authorize the holding of "paper" hearings only upon the agreement of all parties and "to allow evidence and briefing to develop the record." OPUC stated that proceedings may sometimes be sufficiently litigated through briefings and occur frequently enough such that they should be addressed in commission rules. OPUC stated that articulating this practice in rule language would provide the presiding officer flexibility and a clear authorization to conduct such a hearing if the parties agree on a case-by-case basis that the evidence and circumstances warrant it. OPUC further noted that paper hearings generally save ratepayers money because the appearance of the parties and any witnesses is not required, either in-person or virtually. Paper hearings also reduce the overall time to conduct the case. OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change because it is unnecessary and ambiguous. The term "paper hearing" is not a defined term and PURA does not require agreement by all of the parties to forgo a hearing. Moreover, §22.201(a) leaves discretion to the commission as to whether a hearing should be held in-person or virtually.

Proposed §22.204 - Transcript and Record

Proposed §22.204 establishes the procedures for preparing, purchasing, correcting, and filing of stenographic records of commission proceedings. The provision also requires such records to include the items specified by the Texas Administrative Procedure Act (APA).

Proposed §22.204(b) - Purchase of Copies

Proposed §22.204(b) establishes that a party may purchase a copy of the transcript from the official reporter.

OPUC recommended that proposed §22.204(b) be revised to require proceeding transcripts to be provided to commission staff and OPUC free of charge upon request. OPUC stated that this addition would help save taxpayer funds. Specifically, the addition would reduce litigation costs for OPUC when representing residential and small commercial customers before the commission. OPUC noted that it is a taxpayer-funded state agency. OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change. It is not apparent that the commission has the legal authority to require proceeding transcripts free of charge from a contracted court reporter.

Proposed §22.205 - Briefs

Proposed §22.205 establishes the form requirements for legal briefs filed with the commission, including attachments, tables of contents, and citations to legal authorities that are not readily accessible.

Proposed §§22.205(a), 22.205(a)(1), 22.205(a)(1)(A), and 22.205(a)(1)(B) - Brief formatting requirements

Proposed §22.205(a) requires briefs to, where practicable, conform with the formatting requirements for pleadings under §22.72, relating to Form Requirements for Documents Filed with the Commission. Proposed §22.205(a)(1) requires briefs to not exceed 35 pages including citations without attachments unless the presiding officer or commission counsel provides otherwise. Proposed §22.205(a)(1)(A) permits briefs to include up to an additional 50 pages of attachments, but may not exceed a total of 75 pages with citations and attachments. Proposed §22.205(a)(1)(B) requires briefs in excess of ten pages to contain a table of contents with page numbers stated.

Oncor, LCRA, ETI, and TAWC opposed establishing maximum page limits for briefs in proposed §§22.205(a)(1), 22.205(a)(1)(A), and 22.205(a)(1)(B). Commenters emphasized that the benefits of page limits would be outweighed by the costs of limiting discussion in commission proceedings with an expansive evidentiary record that are highly contested. Oncor and LCRA recommended that any page limit should be established by the presiding officer or commission counsel on a case-by-case basis. Oncor and LCRA specifically recommended proposed §22.205(a)(1) and §22.205(a)(1)(A) be deleted but did not oppose retaining the table of contents requirement under proposed §22.205(a)(1)(B). Oncor further recommended that if the presiding officer declines to address briefing page limits, then the default should be that there are no page limitations for briefs in that case. Oncor stated that otherwise the rule may result in page limits that are inadequate for some proceedings or may otherwise incentivize unnecessarily longer briefs in other proceedings that do not warrant it. Oncor emphasized that providing a page limit for briefs in commission rules is unnecessary and that any page limit should be based on case-specific criteria that influence the appropriate level of content such as the number of parties, the number of contested issues, and whether those issues are based in law or fact. LCRA emphasized that fixed page limits are arbitrary and impractical in complex, multi-issue proceedings where the applicant bears the burden of proof. LCRA stated that in multi-issue proceedings, initial and reply briefs frequently exceed 100 pages due to the number and complexity of issues, the volume of evidence, and "the [APA] requirement to present a reasoned analysis that supports agency decision-making and withstands judicial review." LCRA noted that the page count for reply briefs is particularly difficult because of the uncertainty inherent to such filings. Specifically, reply briefs are dependent "upon the arguments, authorities, and factual assertions raised by other parties, as well as the number of intervenors and the breadth of issues they inject into the case." LCRA stated that prescribing brief page limitations by rule risks "the clarity and completeness of party submissions" that weakens the development of a "robust and defensible administrative record" and may lead to further unnecessary litigation due to the exclusion or oversimplification of issues. LCRA remarked that current commission rules and the presiding officer's authority to manage proceedings are already sufficient to ensure that briefs are of a sufficient length without risking administrative efficiency. LCRA provided draft language consistent with its recommendation. ETI recommended that if the commission imposes a page limit,

then proposed §22.205(a)(1) should be revised to state that the page limit should be no less than 50 pages. ETI noted that utilities frequently request good cause exceptions to the existing rule provision that limits briefs to 50 pages. TAWC recommended that exceeding the page limit should be allowed for good cause or otherwise the rule should allow briefs to exceed 35 pages if they include attachments and citations. TAWC provided draft language consistent with its recommendation.

Commission response

The commission agrees with commenters and omits the page limits for briefs under §22.205(a)(1) and §22.205(a)(1)(A) and restructures the provision accordingly. The commission has general authority under §22.72(f) to establish different page limits in any proceeding if necessary. Section 22.71(f) also authorizes commission counsel or the presiding officer to establish page limits for filings in a proceeding with an assigned tariff or docket control number.

Oncor recommended that if the page limit requirement is preserved, then proposed §22.205(a)(1)(A) should be revised to increase the maximum page limits authorizing the presiding officer to modify the page limits for attachments. Oncor observed that the proposed page limits are insufficient for many cases, such as rate proceedings, and that the proposed language only contemplates the presiding officer modifying the page limits for briefs, not the attachments. OPUC similarly recommended that the page limits not apply to cover pages, tables of contents, signature pages or certificates of service. OPUC stated the additional language would provide a clear standard as to what is and is not included in the page limits for briefs and promote administrative efficiency as it establishes clear expectations that would assist parties or intervenors that are unfamiliar with commission or SOAH proceedings. OPUC noted that its proposed language is similar to the language utilized by the Texas Rules of Appellate Procedure. OPUC provided draft language consistent with its recommendation.

Commission response

The commission agrees with Oncor and OPUC but declines to implement the recommended changes because they are moot. As stated previously, the commission omits the page limits for briefs under §22.205(a)(1) and §22.205(a)(1)(A).

New §22.205(c)

OPUC recommended that new §22.205(c) be added to the rule that would authorize a party to move to extend the page limit for briefs. The new provision would require the presiding officer to rule on the motion within five days of the filing, otherwise the request would be deemed granted. OPUC stated the five-day deadline for the presiding officer to rule on the motion would provide certainty to parties as to whether their motion has been granted and therefore ensure that their filed briefs comply with the appropriate page limit requirements. OPUC further remarked that its proposed language is similar to the Texas Rules of Appellate Procedure. OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to add the recommended provision because it is moot. As stated previously, the commission omits the page limits for briefs under §22.205(a)(1) and §22.205(a)(1)(A).

Proposed §22.207 - Referral to State Office of Administrative Hearings

Proposed §22.207 establishes the procedure and requirements associated with the commission's referral of contested case proceedings to the utility division of SOAH.

Proposed §22.207(a) and §22.207(a)(1) - Prehearing conferences and hearings held by SOAH

Proposed §22.207(a) establishes that the utility division of SOAH will conduct prehearing conferences and hearings related to contested cases before the commission, other than a prehearing conference conducted by a commission administrative law judge or a hearing conducted by one or more commissioners. Proposed §22.207(a)(1) establishes that the commission will provide to the SOAH administrative law judge a list of issues or areas that must be addressed.

Oncor and LCRA opposed the deletion of the phrase "at the time SOAH receives jurisdiction of a proceeding" from proposed §22.207(a)(1) and recommended it be retained. Oncor and LCRA explained that the deletion of the phrase would leave the timing for providing the list of issues to SOAH open-ended and therefore delay the issuance of preliminary orders. In turn, this would increase the time between final resolution at SOAH and the commission's final order. Oncor and LCRA emphasized the importance of timely referring and scoping commission proceedings to SOAH to ensure all relevant issues are promptly addressed. LCRA further stressed the importance of proper timing to ensure statutory deadlines are met and material issues are addressed, particularly in complex and multi-party cases where even short delays can have cascading negative effects. LCRA stated that preserving the existing language provides clarity and helps avoid disputes over scoping by ensuring a list of issues is provided to SOAH contemporaneously with referral. LCRA provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended changes. Preliminary orders are not always filed at the time SOAH receives jurisdiction of a commission matter. Moreover, supplemental preliminary orders are often filed long after the case has been referred to SOAH. For clarity, the commission revises §22.207(a)(1) to reflect that the commission will issue a preliminary order at the time of referral or as soon as is reasonably practicable thereafter.

Proposed §22.207(b) - Jurisdictional deadlines

Proposed §22.207(b) authorizes the commission to specify the length of time prior to the expiration of a jurisdictional deadline by which the SOAH administrative law judge will issue a proposal for decision to give the commission sufficient time to consider a proposal for decision.

OPUC recommended proposed §22.207(b) be revised to state that the commission will direct SOAH to issue a proposal for decision (PFD) within 30 days from the close of the evidentiary record in expedited proceedings. OPUC defined expedited proceedings as (1) proceedings with a deadline of 100 days or less from the start of the proceeding or (2) proceedings with a deadline that begins when an application is deemed administratively complete. OPUC commented that currently, SOAH administrative law judges have indicated "that in any contested case, the ALJ needs 60 days from the date the evidentiary record closes to issue a proposal for decision." However, in certain proceedings, the time allotted by statute for those proceedings is "consumed by the days given to SOAH to issue the PFD, eroding the ef-

fectiveness and participatory rights of intervenors and weakening the efficacy of their review of the application." OPUC maintained that, for expedited proceedings, the 60-day timeline imposed by SOAH is "inappropriate and robs parties of the ability to fully litigate their case." OPUC further stated that SOAH's 60-day timeline is not authorized by statute. Therefore, the commission should require SOAH to issue a PFD in expedited proceedings within 30 days. OPUC provided draft language consistent with its recommendation.

Commission response

The commission acknowledges OPUC's concerns but declines to implement the recommended change because it is out of scope.

Proposed §22.221 - Rules of Evidence in Contested Cases

Proposed §22.221 establishes the rules of evidence in contested cases before the commission, including the applicability of the Texas Rules of Evidence, rules of privileges and exemption recognized by Texas law, objections, formal exceptions, and public comment.

New §22.221(f)

OPUC recommended new §22.221(f) be added that would require statements of position filed under §22.124(a)(1) will be included as part of the evidentiary record. OPUC maintained that prefiled direct testimony and statements of position are the two main avenues for pro se residential intervenors to meaningfully participate in commission proceedings. OPUC commented that statements of position should be included in the evidentiary record despite some statements of position having been historically "excluded from the evidentiary record as they are not open to cross-examination." OPUC explained that statements of position are not meant to be testimony open for cross-examination and instead allow individual ratepayers to present their position to the presiding officer and meaningfully participate in commission proceedings. OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change. If a party wishes for a statement of position to be part of the evidentiary record, the party may move for its admission, and other parties may object as appropriate. Statements of position should not be provided an elevated status as automatic evidence over other forms of evidence in a proceeding. Additionally, other parties do not have the opportunity to rebut or respond to statements of position given their short filing deadline. The proposed revision would effectively function as a workaround to filing testimony and would allow testimony to avoid rebuttal testimony from being filed against their position.

Proposed §22.225 - Written Testimony and Accompanying Exhibits

Proposed §22.225 establishes the form, procedural, and timing requirements associated with the filing of written testimony and exhibits with the commission, including the prefiling of testimony, exhibits, objections, and rebuttal testimony. The provision also establishes requirements associated with the supplementation, tender and service, and withdrawal of such filings.

Proposed §22.225(a) and §22.225(a)(1) - Prefiling of testimony, exhibits, and objections; Prefiling of witness and deposition testimony and discovery responses

Proposed §22.225(a) establishes the requirements associated with the prefiling of testimony, exhibits, and objections. Proposed §22.225(a)(1) requires that written direct and rebuttal testimony and accompanying exhibits of each witness must be prefiled unless otherwise ordered by the presiding officer upon a showing of good cause. The provision further requires deposition testimony and responses to requests for information by an opposing party that an intervenor or commission staff plans to introduce as part of its direct case must be filed at the time the intervenor or commission staff files its written direct testimony.

Oncor requested clarification on the rationale behind replacing the phrase "a party" with the phrase "intervenor or commission staff" and noted that the impact of the proposed change is unclear. Oncor stated that presumably an applicant is still permitted, but nor required to, "attach pertinent discovery responses or deposition testimony to its direct testimony." Oncor requested that if that is not the intention of the proposed language, then the commission provide clarity on the meaning and rationale of the proposed change. Oncor recommended that all parties be permitted to attach deposition testimony and discovery responses to their testimony. Oncor noted that there are some proceedings where the applicant who is a party to the case, but not necessarily an intervenor or commission staff, files its direct testimony with its application at the outset "such that the applicant would not have any discovery responses or deposition testimony from that proceeding to attach to its direct testimony." However, Oncor indicated there are other proceedings where an applicant seeking relief will not file its direct testimony until later in the proceeding where discovery could potentially occur if necessary. Oncor presumed that in such proceedings, an applicant would still be permitted, but not be required, to attach any relevant discovery responses or deposition testimony to its direct testimony despite the proposed rule change.

Commission response

The intention of the change was to reflect the fact that applicants or petitioners must file their direct testimony prior to discovery. However, the commission agrees with Oncor that the proposed language could cause confusion and therefore reverts to the original language. Specifically, both references to "intervenor or commission staff" in §22.225(a)(1) are revised back to "party."

Proposed §22.225(a)(2) - Cross-examination documents

Proposed §22.225(a)(2) establishes that a party is not required to prefile documents intended for use during cross-examination except that the presiding officer may require parties to identify documents that may be used during cross examination if necessary for the orderly conduct of the hearing.

Oncor opposed the deletion of §22.225(a)(2) and recommended the language be preserved "to promote judicial economy." Oncor explained that preserving the language would allow the presiding officer and all other parties to the proceeding to be contemporaneously aware of and able to review all material supporting rebuttal testimony in the same place. Oncor emphasized if the commission maintains the proposed changes to §22.225(a)(1), then there is a need to require parties, or at least intervenors and commission staff, "to file such deposition testimony and RFI responses supporting rebuttal testimony at the same time the rebuttal testimony is filed.

Commission response

The commission agrees with Oncor and preserves existing §22.225(a)(2) in the adopted rule. The commission also renumbers the following paragraphs as appropriate.

Proposed §22.225(a)(5) and §22.225(a)(5)(B) - Prefiled testimony schedule for major rate proceedings

Proposed §22.225(a)(5) establishes the requirements for the prefiled testimony schedule in a major rate proceeding. Proposed §22.225(a)(5)(B) requires other parties in the proceeding to prefile written testimony and exhibits according to the schedule set forth by the presiding officer. The provision also establishes that commission staff representing the public interest may not be required to file earlier than seven days prior to a hearing except for good cause shown or upon agreement of the parties.

LCRA recommended that language in proposed §22.225(a)(5)(B) that authorizes commission staff to file prefiled testimony as late as seven days before a hearing should be deleted. LCRA stated such an authorization does not conform to current standard practice and is disruptive to the "orderly processing of contested cases." LCRA indicated that typically procedural schedules require commission staff to submit testimony after receipt of direct testimony from intervenors but in advance of a hearing. This timeline provides sufficient time for applicants to prepare rebuttal testimony, for parties to file objections to rebuttal testimony, and applicants to file responses to such objections as well as any prehearing submissions. LCRA commented that a presumptive floor that commission staff "cannot be required to file earlier than seven days before hearing compresses or displaces downstream deadlines, risks prejudice to other parties and is inconsistent with schedules needed to develop a fair and complete record." LCRA provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change. Generally, parties are directed by SOAH to confer and agree on a procedural schedule which includes testimony deadlines which renders LCRA's concerns moot in most instances. In specific cases, such as complaints or proceedings with a high level of pro se intervenors, commission staff may need to submit testimony later in the proceeding as part of its role in representing the public interest. In such instances, the good cause exception to the filing deadline is appropriate to ensure commission staff has flexibility in fulfilling that role.

OPUC recommended proposed §22.225(a)(5)(B) be revised to make explicit that prefiled written testimony and exhibits must be filed in accordance with §22.225. OPUC further recommended that staff's deadline to file prefiled written testimony and exhibits be extended from seven days to 14 days prior to a hearing. OPUC stated the extended time period provides other parties "sufficient time to review the evidence, assess the arguments in the testimony, and prepare for questions for and rebuttal to the testimony." OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change. As stated previously, the seven-day deadline is necessary to ensure commission staff has flexibility in fulfilling its role representing the public interest. Moreover, in most case testimony deadlines operate according to a procedural schedule set by the presiding officer, so the default schedule is unlikely to apply except in specific situations.

Proposed §22.225(a)(5)(C) - Scheduling of rebuttal testimony

Proposed §22.225(a)(5)(C) provides that the presiding officer will establish dates for filing of rebuttal testimony.

OPUC recommended proposed §22.225(a)(5)(C) be revised to require the presiding officer to establish dates for intervenor and commission staff to file direct testimony in addition to the parties to file rebuttal testimony. OPUC stated that by providing explicit direction to intervenors and commission staff in the rule, it would provide clarity to the provision and facilitate the timely filing of testimony, particularly when the case involves pro se intervenors. OPUC provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change because it is unnecessary. Specifically, §22.225(a)(6)(C) establishes that the presiding officer will establish dates for filing rebuttal testimony.

Proposed §22.225(a)(6) - New electric transmission facility certificate of convenience and necessity (CCN) applications

Proposed §22.225(a)(6) requires utilities filing a CCN application or CCN amendment for a new electric transmission facility to file written testimony and exhibits supporting its direct case on the same date that the application is filed with the commission.

TAWC recommended proposed §22.225(a)(6) be revised to explicitly state that the provision only applies to electric CCN cases because prefiled testimony is not required for water or sewer CCN applications. TAWC explained that neither Chapter 13 of the Texas Water Code, commission rules, nor the water or sewer CCN application form require such filings with an application. TAWC commented that this practice should continue and therefore the rule should explicitly exclude water or sewer CCN cases from such a requirement.

Commission response

The commission declines to implement the recommended change because it is unnecessary. Specifically, §22.225(a)(7) already explicitly applies to a new electric transmission facility and is therefore unrelated to CCNs under Chapter 13 of the Texas Water Code.

New §22.225(a)(10) and §22.225(a)(11)

OPUC recommended adding new §22.225(a)(10) which would require Class A, B, and C water and sewer utilities to file written testimony and exhibits supporting their direct cases on the same date a statement of intent to change rates is filed with the commission. The provision would also require the presiding officer to establish a prefiled testimony schedule. OPUC indicated that the revision would address ambiguity in commission rules, help make prefiled testimony more comprehensive and promote efficient commission review of the rate application. OPUC similarly recommended adding new §22.225(a)(11) to "close a potential loophole in the phrasing of TWC § 13.187 resulting from Senate Bill 740" from the 89th Legislative Session. The revision would require an applicant water or sewer utility to file written testimony and exhibits supporting its direct case on the same date it files its system improvement charge (SIC) application with the commission. OPUC stated the addition of its recommended provision would enable SIC applications to be processed on the expedited

timeline as specified by the Legislature. OPUC noted that if its proposed revision concerning "major rate proceeding" is adopted in Project No. 58400 concerning the definition of "major rate proceeding" then this change is unnecessary. OPUC provided draft language consistent with its recommendations.

Commission response

The commission declines to implement the recommended change because it is out of scope. OPUC's proposed language represents a significant and substantive change to current practice in water and sewer rate proceedings that would necessitate further review by the commission and comment by interested stakeholders. Moreover, a SIC is an interim and expedited rate proceeding for which a statement of intent to change rates is not required under existing §24.76, relating to System Improvement Charge. Additionally, revisions to §24.76 to implement Senate Bill 740 are currently being implemented in Project No. 58391. The commission further notes that OPUC's proposed revision for the term "major rate proceeding" under §22.2(25), relating to Definitions, was not implemented in Project No. 58400.

New §22.225(a)(12)

OPUC recommended new §22.225(a)(12) be added, which would require non-ERCOT utilities to file written testimony and exhibits on the same date they file a CCN application to add transmission or generation infrastructure. OPUC stated the revision would mirror the proposed requirement for ERCOT utilities to do the same. OPUC maintained that the new provision would help ensure ratepayers inside and outside of ERCOT have the capability to fully participate in utility proceedings.

Commission response

The commission declines to implement the recommended change because it is out of scope. OPUC's proposed language represents a significant and substantive change to the proposed rule that would necessitate further review by the commission and comment by interested stakeholders, particularly the non-ERCOT utilities.

Proposed §22.225(b) - Admission of prefiled testimony

Proposed §22.225(b) establishes the general requirements applicable to the admission of prefiled testimony with the commission.

TAWC recommended proposed §22.225(b) be revised to authorize SOAH ALJs to admit prefiled testimony without having witnesses appear to swear to their testimony. TAWC stated that in some instances SOAH ALJs have elected to admit all prefiled testimonies and exhibits prior to presentation of a party's case and witnesses for cross-examination in a hearing on the merits. Therefore, the rule should codify this practice for administrative efficiency. TAWC provided draft language consistent with its recommendation.

Commission response

The commission agrees with TAWC and implements the recommended change.

Proposed §22.244 - Review of Municipal Electric Rate Actions

Proposed §22.244 establishes the requirements for petitions for commission review of municipal electric rate actions.

Proposed §22.244(a) and §22.244(a)(2) - Contents of petition and contact information

Proposed §22.244(a) establishes the minimum requirements for petitions for commission review of municipal electric rate actions filed under PURA §33.052 or §§33.101 - 33.104, in addition to any information required by statute. Proposed §22.244(a)(2) provides the list of contact information each signatory to the petition must provide including name, telephone number, address, and facsimile transmission number (i.e., fax number), if available.

OPUC recommended fax numbers be maintained as a method of contact for petitions for review of municipal rate actions under proposed §22.244(a)(2). OPUC also recommended proposed §22.244(a)(2) be revised to add e-mail as a method of communication. OPUC stated that some members of the public may still use fax numbers. Therefore, to maximize public participation, both methods of communication should be reflected in the adopted rule.

Commission response

The commission adopts OPUC's proposed language with slight modifications. Specifically, the commission revises the provision to require "[t]he printed or typed name, telephone number, street or rural route address, and if available, the e-mail address and facsimile transmission number of each signatory…." The revision is to ensure that the inclusion of a signatory's e-mail address or fax number is optional for purposes of the petition if such information is unavailable.

Proposed §22.246 - Administrative Penalties

Proposed §22.246 addresses enforcement actions related to the assessment of administrative penalties by the commission or the disgorgement of excess revenues by order of the commission.

Proposed §22.246(f), §22.246(f)(2), and §22.246(f)(2) - Report of violation or continuing violation

Proposed §22.246(f) authorizes the executive director to issue a report if the executive director determines that a violation or a continuing violation has occurred based on the investigation undertaken in accordance with §22.246(e). Proposed §22.246(f)(2) establishes the requirements for notices of reports issued by the executive director. Proposed §22.246(f)(2)(A) provides that the executive director will give written notice of the report to the person who is alleged to have committed the violation or continuing violation which is the subject of the report within 14 days after the report is issued. The provision also requires the notice to be given by regular, certified mail, or email to the mailing address or email address maintained in the commission's records. The provision alternatively provides that if no such addresses exist, the executive director or executive director's designee will make reasonable efforts to notify the person who is alleged to have committed the violation.

TAWC recommended proposed §22.246(f)(2) be revised to provide clarity on how water and sewer utilities, as well as other "person, can update their contact information to ensure the commission maintains their correct mailing or e-mail address. TAWC stated the proposed revision would help prevent notices of violation or continuing violation to be sent to an incorrect mailing address or e-mail.

Commission response

The commission declines to implement the recommended change because it is out of scope. Addressing how utilities or other regulated entities provide up-to-date contact information to the commission is better suited for the commission's substantive

rules, not procedural rules. The commission's substantive rules contain entity-specific requirements to update registrations, certifications, and other information with the commission.

Proposed §22.246(k) - Distribution of Disgorged Excess Revenues

Proposed §22.246(k) establishes the requirement for the disgorgement and remittance of excess revenues to an independent organization established under PURA §39.151, and the distribution of such excess revenues by the independent organization. Specifically, the provision requires the independent organization to distribute the excess revenue to affected wholesale electric market participants in proportion to their load during the intervals when the violation occurred to be used to reduce costs or fees incurred by retail electric customers. The provision also establishes that the commission may require the independent organization to distribute the excess revenue to affected wholesale market participants using a different distribution method in the same proceeding or may direct commission staff to open a subsequent proceeding to address those issues if the commission determines other wholesale electric market participants are affected or a different distribution method is appropriate.

OPUC recommended that proposed §22.246(k) be revised to extend the penalty to disgorge excess revenues to non-ERCOT utilities. OPUC stated that the proposed language would deprive ratepayers outside of ERCOT access to this remedy since the rule does not explicitly apply it to non-ERCOT utilities.

Commission response

The commission declines to implement the recommended change because it is out of scope. OPUC's proposed language represents a significant and substantive change to current enforcement practice that would necessitate further review by the commission and comment by interested stakeholders, particularly the non-ERCOT utilities. Moreover, it is unclear whether a provision that was originally designed to address the ERCOT wholesale market would be appropriate to apply to vertically integrated utilities without further investigation.

Proposed §22.261 - Proposals for Decision

Proposed §22.261 establishes the form and content requirements for proposals for decision in contested cases.

Proposed §22.261(a) - Requirement and Content of Proposal for Decision

Proposed §22.261(a) requires that a proposal for decision be served on all parties before the issuance of a final order that is adverse to any party other than the commission if a majority of the commissioners have not heard the case or read the record. The provision also establishes that the proposal for decision will be prepared by the presiding officer that conducted the hearing or that has read the record. The provision further requires a proposal for decision to include a proposed final order, a statement of the reasons for the proposed decision, and proposed findings of fact and conclusions of law in support of the proposed final order. The provision also establishes requirements applicable to filing exceptions to the proposal for decision and the supplementation, amendment, or correction of a proposal for decision.

Oncor recommended proposed §22.261(a) or other rule be revised to expressly authorize the commissioners to delegate authority to a subset of commissioners to hold and preside over a hearing. Oncor further recommended that the rule language should require the presiding commissioner to prepare a proposal for decision which must be then served on all parties and considered by all commissioners that were not recused from the case. Oncor commented that the addition would provide clarity on this practice and acknowledge that it is statutorily authorized under PURA §14.053(a). Moreover, Oncor indicated that adding such language would help provide guidance to stakeholders where some--but not all--commissioners may preside over an evidentiary hearing, but all commissioners will ultimately consider the proposal for decision and make a final determination in the case.

Commission response

The commission declines to implement the recommended change because it is out of scope. Oncor's proposed language represents a significant and substantive change to current commission open meeting practice that would necessitate further review by the commission and comment by interested stakeholders.

OPUC recommended proposed §22.261(a) be revised to require proposals for decision for expedited proceedings be issued within 30 days from the close of the record. OPUC defined "expedited proceedings" as commission proceedings where statute or rule requires the issuance of a commission decision either within 100 days from the date of filing or 100 days from the date an application is deemed administratively complete. OPUC stated that SOAH has imposed a 60-day deadline from the close of the evidentiary record to submit a proposal for decision for all commission proceedings. OPUC indicated that this 60-day timeline only provides parties and intervenors 40 days to litigate a case, which is generally inadequate in complex and detailed proceedings such as rate proceedings. OPUC commented that this is 60-day timeline imposed by SOAH is neither supported nor authorized by statute. OPUC cross-referenced its proposed revisions to §22.207 on this same issue and provided draft language consistent with its recommendation. OPUC also recommended the provision specify that "[a]ny party may file exceptions or replies to the proposed decision…" for completeness.

Commission response

The commission declines to implement the recommended change because it is out of scope. Further review is needed to evaluate OPUC's proposal with the requirements of the APA. It is unclear whether and to what extent the commission can require SOAH to meet commission-prescribed deadlines when statutory deadlines are also implicated.

Proposed §22.262 - Commission Action After a Proposal for Decision

Proposed §22.262 establishes the general authority and procedures associated with commission action after a proposal for decision has been issued.

Proposed §22.262(d) and §22.262(d)(3) - Oral Argument Before the Commission

Proposed §22.262(d) prescribes the requirements for oral argument before the commission. Proposed §22.262(d)(3) requires a request for oral argument to be filed as a separate written pleading no later than 5:00 p.m. seven days before the open meeting at which the commission is scheduled to consider the case.

Oncor and ETI opposed revising the filing deadline for oral argument from 3:00 p.m. to 5:00 p.m. seven days prior to the Open Meeting where the case will be considered under proposed §22.262(d)(3). Oncor and ETI expressed concern that

this change conflicts with the current standard filing deadline used by the commission for pleadings and other filings, including the deadline for serving RFIs that are deemed to have been received on the same day. Therefore, the 3:00 p.m. deadline should be retained for consistency. ETI further stated the inconsistency may lead to confusion among pro se litigants.

Commission response

The commission declines to implement the recommended change because it is inconsistent with other revisions, such as those made in §22.71 in Project No. 52059 or §22.144 in Project No. 58401. Those amendments represent a policy choice by the commission to change deadlines for filing and discovery from 3:00 p.m. to 5:00 p.m. across the procedural rules. The commission also revises the provision to refer to "Central Prevailing Time" to be consistent with such other changes.

Proposed §22.264 - Rehearing

Proposed §22.264 establishes the requirements for motions for rehearing, replies to motion for rehearing, and commission action on motions for rehearing.

Proposed §22.264(f) - Procedure for extended commission time to act on a motion for rehearing.

Proposed §22.264(f) establishes that the Office of Policy and Docket Management must send separate ballots to each commissioner to determine whether they will consider the motion for rehearing at a subsequent open meeting if the commission extends time to act on a motion for rehearing. The provision also requires an affirmative vote by one commissioner to place the motion for rehearing on an open meeting agenda.

LCRA recommended proposed §22.264(f) be revised to specify that "the Office of Policy and Docket Management must send separate ballots" to be consistent with §22.264(e).

Commission response

The commission agrees with LCRA and implements the recommended change.

Proposed §22.281 - Initiation of Rulemaking

Proposed §22.281 establishes the requirements associated with the initiation of a rulemaking by the commission, including petitions for rulemaking.

Proposed §22.281(a) and §22.281(a)(1) - Petition for rulemaking and contents of petition for rulemaking.

Proposed §22.281(a) provides that any interested person, as defined by the APA, may petition the commission requesting the adoption of a new rule or the amendment of an existing rule. Proposed §22.281(a)(1) requires a rulemaking petition to be in writing and submitted to a project opened under §22.81(a)(2) for that purpose. The provision also establishes that a petition must include a brief explanation of the rule, each reason the new or amended rule should be adopted, the statutory authority for such a rule or amendment, and complete proposed text for the rule. The provision also established requirements for redline deletions and additions to commission rules included in the petition. The provision further provides that a suggested new rule or rule amendment that does not comply with each of the requirements of §22.281, including any rulemaking suggestion made in a contested case proceeding, will be construed as a policy recommendation and will not be processed as a formal rulemaking petition.

OPUC expressed support to the proposed changes to §22.281 only to the extent that such changes comply with the Texas APA and other statutes referenced by the APA concerning the rulemaking process. TAWC requested clarification on the usage of the term "rulemaking suggestion" under proposed §22.281(a)(1) in the context of a contested case proceeding. Specifically, TAWC inquired as to how that is distinct from a rulemaking petition. TAWC commented that it is unclear as to how a "rulemaking suggestion" may be made within a contested case hearing and also comply with the other specific requirements under §22.281. TAWC noted that conceivably "rulemaking suggestion" could be treated as a policy recommendation regardless of the requirements associated with a rulemaking petition, but if that is the intention then it should be clarified.

Commission response

The commission revises the provision for clarity as recommended by TAWC. Specifically, the commission revises §22.281(a)(1) to add the following sentence: "Any recommendation or request that the commission adopt a new rule or amend or repeal an existing rule that does not comply with the requirements of this section, including any recommendation or request made in a contested case proceeding (e.g., an argument by a party to a contested case that the commission should conduct a rulemaking before addressing a contested issue), will be construed as a policy recommendation and will not be processed as a petition for rulemaking under the APA and this section."

Existing §22.281(a)(2) - Publication of rulemaking petitions with the Texas Register

Existing §22.281(a)(2) concerned the filing of rulemaking notices with the Texas Register and the associated public comment period in response to petitions for rulemaking. Specifically, the provision required the commission to submit a notice for publication in the "In Addition" section of the *Texas Register* upon receipt of a petition for rulemaking. The provision required the notice to include a summary of the petition, the name of the person that submitted the petition, and notification that a copy of the petition will be available for review and copying in the commission's central records. The provision further established that comments on the petition are due 21 days from the date of publication of the notice and that failure to publish a notice of a petition for rulemaking in the *Texas Register* does not invalidate any commission action on the petition for rulemaking.

LCRA opposed the deletion of §22.281(a)(2) and recommended it be preserved to avoid conflict with statute. LCRA stated that the existing provision details the Texas Register notice requirements for rulemakings specified under the APA. Specifically, §2001.023 of the Texas Government Code which requires Texas state agencies to file notice of proposed rules with the Texas Secretary of State so that they may be published in the *Texas Register*. LCRA maintained that the commission must continue to comply with this requirement unless and until the APA is amended to state otherwise. LCRA provided draft language consistent with its recommendation.

Commission response

The commission disagrees with LCRA and declines to implement the recommended change. Section 2001.023 of the APA addresses when an agency must provide notice of a proposed rule, not a rulemaking petition. Section 2001.021 of the APA, which addresses rulemaking petitions, authorizes an interested person to request the adoption of a rule. Under

Section 2001.021, a state agency must establish the form for a petition for rulemaking and the procedure for its submission. The section also establishes a 60 day deadline for the agency to act on the petition. The commission declines to retain Texas Register notice for rulemaking petitions because it is administratively burdensome to align open meeting schedules and *Texas Register* publication within the narrow statutory timeframe that the commission has to decide on rulemaking petitions. Instead, §22.281(a)(1) provides for public filing and comment of rulemaking petitions, which is not required by the APA, and consolidates all rulemaking petitions to a single project, which should facilitate more efficient and convenient review of such petitions.

Proposed §22.282 - Notice and Public Participation in Rulemaking Procedures

Proposed §22.282 establishes the requirements for notice and public participation in commission rulemakings, including initial comments, public hearings, staff recommendations, and final adoption.

Proposed §22.282(a) - Initial Comments

Proposed §22.282(a) governs the procedures for the solicitation of comments by the commission or commission staff prior to the publication of a proposed rule or amendment to an existing rule. The provision also establishes a general 30-day comment deadline unless otherwise stated by commission staff and authorizes the commission or commission staff to hold workshops or public hearings on the rulemaking.

TAWC recommended that the deleted language in proposed §22.282(a) concerning the publication of rulemaking notices in the *Texas Register* should be maintained. OPUC similarly recommended that language be retained with the qualifier "to the extent required by the APA." TAWC stated that the proposed revision requiring comment and feedback requests through the commission's filing system may result in some stakeholders not receiving notice of the request for comments. Therefore, the deleted language should be retained. OPUC emphasized that consumers are generally unaware of the commission's filing system, therefore the requirement to publish notice with the Texas Register should be retained. OPUC further commented that the term "commission filing system" be replaced with the phrase "with the commission's central records and on the commission's Interchange" for clarity. OPUC also recommended the reference to comments be revised to refer to "initial comments."

Commission response

The commission disagrees with OPUC and declines to implement the recommended change. Section §22.282(a) applies to informal comments prior to the issuance of a published rule. As such, there are no APA requirements on how the commission publicizes informal discussion drafts or strawman documents. Moreover, the APA generally authorizes Texas state agencies to use informal conferences and advisory committees under §2001.031 of the APA. The commission declines to limit commission staff's flexibility in designing its public engagement strategies during the informal stages of the rulemaking process. However, the commission revises the header and first sentence in §22.282(a) for clarity: "Informal comments. Prior to the publication of a proposed rule or an amendment to an existing rule in the *Texas Register*, the commission or commission staff may solicit comments on the necessity for, scope, or contents of a contemplated rulemaking project."

Proposed §22.282(e) - Staff Recommendation

Proposed §22.282(e) provides that staff's final recommendation will, if practicable, be filed in the rulemaking proceeding at least seven days prior to the date on which the commission is scheduled to consider the matter, unless another date is specified by the commission. The provision further states that the commission may still consider the recommendation or take action in the rulemaking project, even if commission staff does not file its final recommendation at least seven days prior to the date on which the commission is scheduled to consider the matter.

TAWC and ETI opposed the revision to §22.282(e) which would eliminate the mandatory seven-day deadline for commission staff to file its final rulemaking recommendation prior to an open meeting. TAWC and ETI recommended that proposed §22.282(e) be revised to state that commission staff's rulemaking proposals must be filed at least seven days prior to a commission open meeting. TAWC and ETI stated that filing rulemaking proposals earlier would provide affected persons and stakeholders additional time to comment at the open meeting where the proposal will be considered. TAWC and ETI maintained that less than seven days is insufficient time to review commission staff's recommendations and, if necessary, prepare comments.

Commission response

The commission disagrees with TAWC and ETI and declines to implement the recommended change. The seven-day deadline in the existing rule is not required by the APA and the revised provision provides transparency regarding current commission practice. As a practical matter, rulemaking documents are sometimes required to be presented at a commission open meeting regardless of whether commission staff's final recommendation is filed. Like all items scheduled for a duly posted open meeting, a rulemaking adoption order will be posted in full compliance with the Open Meetings Act, so interested persons will know in advance of when a rulemaking is scheduled to be filed. Commission staff will endeavor to meet the seven-day deadline for preview drafts whenever practicable.

Proposed §22.282(g) - Final adoption

Proposed §22.282(g) establishes that, following consideration of comments, the commission will issue an order adopting, adopting as amended, or withdrawing the rule within six months after the date of publication of the proposed rule or the rule is automatically withdrawn. The provision also authorizes commission staff to withdraw a rule on its own motion if necessary to facilitate the expeditious republication of proposed amendments to that rule.

Oncor opposed the inclusion of language in proposed §22.282(g) that would authorize commission staff to withdraw a rule on its own motion if necessary to facilitate the expeditious republication of proposed amendments to that rule and recommended it be deleted. Oncor maintained that the commission may decide to withdraw a proposed rule and replace it with a different proposal at an open meeting. Therefore, it is unnecessary to authorize commission staff to unilaterally withdraw a proposed rule at any time given the predictable cadence of open meetings. Oncor further remarked that there also may be instances where stakeholders are not in agreement with commission staff's position on whether a proposed rule should be withdrawn or substituted with another proposal.

Commission response

The commission omits the proposed language from §22.282(g) because it is unnecessary.

LCRA recommended that proposed §22.282(g) be revised to replace the term "rule" with the phrase "proposed rule." Oncor made the same recommendation as an alternative if the proposed revision is maintained. LCRA stated this revision is necessary to clarify that commission staff may not withdraw a rule formally adopted by the commission. LCRA commented that the proposed revision aligns with standard rulemaking procedures and helps avoid confusion regarding the status of rules already adopted by the commission. LCRA provided draft language consistent with its recommendation.

Commission response

The commission declines to implement the recommended change because it is moot. Specifically, the sentence concerning withdrawal of a rule from §22.282(g) is omitted from the adopted rule.

SUBCHAPTER K. HEARINGS

16 TAC §§22.201, 22.204, 22.205, 22.207

The amended rules are adopted under the following provisions of PURA and the Texas Water Code: PURA §14.001 and Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; PURA §14.002 and Texas Water Code §13.041(b), which provides the commission with the authority to make adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; PURA §14.052 and Texas Water Code §13.041(b), which requires the commission to adopt and enforce rules governing practice and procedure before the commission and SOAH. The amended rules are also adopted under the following provisions of PURA: PURA §12.201 which requires the commission to prepare and publicize information of public interest describing the functions of the commission and the commission's procedures by which a complaint is filed with and resolved by the commission and requires the commission to, by rule, establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the commission; PURA §15.023, which provides the commission with the authority to assess and impose an administrative penalty against a regulated person that violates PURA, or a rule or order adopted by the commission in accordance with PURA; PURA §15.051 which authorizes an affected person to complain to the regulatory in writing by a public utility in violation or claimed violation of a law that the regulatory authority has jurisdiction to administer or of an order, ordinance, or rule of the regulatory authority, and requires the commission to, for a reasonable period preserve information about each complaint filed with the commission that the commission has authority to resolve; PURA §17.157 which authorizes the commission to resolve disputes between a retail customer and a billing utility, service provider, telecommunications utility, retail electric provider, or electric utility, including the investigation of alleged violations; PURA Chapter 15, Subchapter B §§15.021-15.033 and Texas Water Code Chapter 13, Subchapter K §§13.411-13.419 which collectively establish the commission' s enforcement authority to enjoin, investigate, or require compliance from a person or entity in violation or alleged violation of statute or commission rules, including the commission's authority to impose and assess administrative penalties; and PURA Chapter 33, Subchapter C §§33.051-33.055 which governs the appeal of municipal ratemaking orders to the commission. The amended rules are also adopted under HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13 which transferred regulatory jurisdiction of the rates, operations, and services of retail public utilities from the Texas Commission on Environmental Quality to the commission and the following provisions of the Texas Government Code: Texas Government Code §§2001.004-007 and Subchapter B §§2001.021-2001.041 which establish general rulemaking requirements and procedures, including notice obligations, for agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter C §§2001.051-2001.062, which establish minimum standards of uniform practice and procedure for contested cases held at agencies of the State of Texas, including the requirements and procedures for a state agency to examine the record in a contested case and issue proposals for decision; Texas Government Code, Subchapter D § 2001.081-103, which govern the usage of and procedures for evidence, witnesses and discovery for contested cases held at agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter F §§2001.141-2001.147 which establish the requirements and procedures, including notice obligations, associated with the issuance of final decisions and orders by a state agency in a contested case, including the procedures for prerequisites to appeal and requirements for motions for rehearing.

Cross reference to statutes: Public Utility Regulatory Act §§14.001, 14.002, 14.052, and Texas Water Code §13.041(a) and (b); Public Utility Regulatory Act §§12.201, Chapter 15, Subchapter B 15.021-15.033, 15.051, 17.157; Chapter 33, Subchapter C 33.051-33.055; Texas Water Code Chapter 13, Subchapter K §§13.411-13.419; and HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13; Texas Government Code Chapter 2001, 2001.004-007 and Subchapter B 2001.021-2001.041; Subchapter C 2001.051-2001.062 and Subchapter D 2001.081-103; Subchapter F 2001.141-2001.147.

§22.201. Place and Nature of Hearings.

(a) Commission-held hearings. All commission-held hearings will be held in person and in Austin, Texas unless the commission determines that it is in the public interest to hold a hearing elsewhere or virtually. The presiding officer may, by written order, authorize a pre-hearing conference to be conducted virtually.

(b) Hearings held at SOAH. A pre-hearing conference or hearing held at SOAH, whether in-person or virtual, will be conducted in accordance with commission rules.

§22.205. Briefs.

(a) Briefs must conform, where practicable, to the requirements established for formatting pleadings in this chapter, including requirements for citations in §22.72 (relating to Form Requirements for Documents Filed with the Commission).

(1) Briefs in excess of ten pages must contain a table of contents with page numbers stated.

(2) The presiding officer may require parties to address certain issues or address issues in a specific order or format.

(b) If a legal authority cited in the briefs is not readily accessible, a copy of the legal authority must be provided upon request. Such legal authorities may include slip opinions, unpublished opinions, memorandum opinions, or documents from other jurisdictions that are not readily accessible to the commission.

§22.207. Referral to State Office of Administrative Hearings.

(a) The utility division of SOAH will conduct prehearing conferences and hearings related to contested cases before the commission, other than a prehearing conference conducted by a commission administrative law judge or a hearing conducted by one or more commissioners.

(1) At the time SOAH receives jurisdiction, or as soon as is reasonably practicable thereafter, the commission will provide to the SOAH administrative law judge a list of issues or areas that must be addressed.

(2) At any time, the commission may identify and provide to the SOAH administrative law judge additional issues or areas that must be addressed. The commission will send a request for setting or hearing, or request for assignment of a SOAH administrative law judge to SOAH in sufficient time to allow resolution of the proceeding prior to the expiration of any jurisdictional deadline.

(b) To give the commission sufficient time to consider a proposal for decision, the commission may specify the length of time prior to the expiration of a jurisdictional deadline by which the SOAH administrative law judge will issue a proposal for decision.

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

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

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Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
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SUBCHAPTER L. EVIDENCE AND EXHIBITS IN CONTESTED CASES

16 TAC §§22.221, 22.225, 22.228

The amended rules are adopted under the following provisions of PURA and the Texas Water Code: PURA §14.001 and Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; PURA §14.002 and Texas Water Code §13.041(b), which provides the commission with the authority to make adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; PURA §14.052 and Texas Water Code §13.041(b), which requires the commission to adopt and enforce rules governing practice and procedure before the commission and SOAH. The amended rules are also adopted under the following provisions of PURA: PURA §12.201 which requires the commission to prepare and publicize information of public interest describing the functions of the commission and the commission's procedures by which a complaint is filed with and resolved by the commission and requires the commission to, by rule, establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the commission; PURA §15.023, which provides the commission with the authority to assess and impose an administrative penalty against a regulated person that violates PURA, or a rule or order adopted by the commission in accordance with PURA; PURA §15.051 which authorizes an affected person to complain to the regulatory in writing by a public utility in violation or claimed violation of a law that the regulatory authority has jurisdiction to administer or of an order, ordinance, or rule of the regulatory authority, and requires the commission to, for a reasonable period preserve information about each complaint filed with the commission that the commission has authority to resolve; PURA §17.157 which authorizes the commission to resolve disputes between a retail customer and a billing utility, service provider, telecommunications utility, retail electric provider, or electric utility, including the investigation of alleged violations; PURA Chapter 15, Subchapter B §§15.021-15.033 and Texas Water Code Chapter 13, Subchapter K §§13.411-13.419 which collectively establish the commission' s enforcement authority to enjoin, investigate, or require compliance from a person or entity in violation or alleged violation of statute or commission rules, including the commission's authority to impose and assess administrative penalties; and PURA Chapter 33, Subchapter C §§33.051-33.055 which governs the appeal of municipal ratemaking orders to the commission. The amended rules are also adopted under HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13 which transferred regulatory jurisdiction of the rates, operations, and services of retail public utilities from the Texas Commission on Environmental Quality to the commission and the following provisions of the Texas Government Code: Texas Government Code §§2001.004-007 and Subchapter B §§2001.021-2001.041 which establish general rulemaking requirements and procedures, including notice obligations, for agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter C §§2001.051-2001.062, which establish minimum standards of uniform practice and procedure for contested cases held at agencies of the State of Texas, including the requirements and procedures for a state agency to examine the record in a contested case and issue proposals for decision; Texas Government Code, Subchapter D § 2001.081-103, which govern the usage of and procedures for evidence, witnesses and discovery for contested cases held at agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter F §§2001.141-2001.147 which establish the requirements and procedures, including notice obligations, associated with the issuance of final decisions and orders by a state agency in a contested case, including the procedures for prerequisites to appeal and requirements for motions for rehearing.

Cross reference to statutes: Public Utility Regulatory Act §§14.001, 14.002, 14.052, and Texas Water Code §13.041(a) and (b); Public Utility Regulatory Act §§12.201, Chapter 15, Subchapter B 15.021-15.033, 15.051, 17.157; Chapter 33, Subchapter C 33.051-33.055; Texas Water Code Chapter 13, Subchapter K §§13.411-13.419; and HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13; Texas Government Code Chapter 2001, 2001.004-007 and Subchapter B 2001.021-2001.041; Subchapter C 2001.051-2001.062 and Subchapter D 2001.081-103; Subchapter F 2001.141-2001.147.

§22.225. Written Testimony and Accompanying Exhibits.

(a) Prefiling of testimony, exhibits, and objections.

(1) Unless otherwise ordered by the presiding officer upon a showing of good cause, the written direct and rebuttal testimony and accompanying exhibits of each witness must be prefiled. Deposition testimony and responses to requests for information by an opposing

party that a party plans to introduce as part of its direct case must be filed at the time the party files its written direct testimony.

(2) Deposition testimony and responses to requests for information that a party plans to introduce in support of its rebuttal case shall be filed at the time the party files its written rebuttal testimony.

(3) A party is not required to prefile documents it intends to use during cross-examination except that the presiding officer may require parties to identify documents that may be used during cross examination if it is necessary for the orderly conduct of the hearing.

(4) Objections to prefiled direct or rebuttal testimony and exhibits, including deposition testimony and responses to requests for information, must be filed on dates established by the presiding officer and will be ruled upon before or at the time the prefiled testimony and accompanying exhibits are offered.

(5) Nothing in this section precludes a party from using discovery responses in its direct or rebuttal case even if such responses were not received prior to the applicable deadline for prefiling written testimony and exhibits.

(6) The prefiled testimony schedule in a major rate proceeding must be established as set out in this subsection.

(A) Any utility filing an application to change its rates in a major rate proceeding must file the written testimony and exhibits supporting its direct case on the same date that such statement of intent to change its rates is filed with the commission. As set forth in §22.243(b) of this title (relating to Rate Change Proceedings), the prefiled written testimony and exhibits must be included in the rate filing package filed with the application.

(B) Other parties in the proceeding must prefile written testimony and exhibits according to the schedule set forth by the presiding officer. Except for good cause shown or upon agreement of the parties, commission staff representing the public interest may not be required to file earlier than seven days prior to hearing.

(C) The presiding officer will establish dates for filing of rebuttal testimony.

(7) A utility filing an application for a certificate of convenience and necessity (CCN), or an amendment to a CCN, for a new electric transmission facility must file written testimony and exhibits supporting its direct case on the same date that the application is filed with the commission.

(8) For any contested case that is not a major rate proceeding nor a CCN or CCN amendment proceeding for an electric transmission facility, the applicant is not required to prefile written testimony and exhibits at the time the filing is made unless otherwise required by statute or rule.

(9) The times for prefiling set out in this section may be modified by the presiding officer upon a showing of good cause.

(10) Late-filed testimony may be admitted into evidence if the testimony is necessary for a full disclosure of the facts and admission of the testimony into evidence would not be unduly prejudicial to the legal rights of any party. A party that intends to offer late-filed testimony into evidence must, at the earliest opportunity, inform the presiding officer, who will establish reasonable procedures and deadlines regarding such testimony.

(b) Admission of prefiled testimony. Unless otherwise ordered by the presiding officer, direct and rebuttal testimony must be received in written form. The written testimony of a witness on direct examination or rebuttal, either in narrative or question and answer form, may be received as an exhibit and incorporated into the record without the written testimony being read into the record. Unless otherwise ordered by the presiding officer, a witness who is offering written testimony must be sworn and must be asked whether the written testimony is a true and accurate representation of what the testimony would be if the testimony were to be given orally at the time the written testimony is offered into evidence. The witness must submit to cross-examination, clarifying questions, redirect examination, and recross-examination, unless the right to cross-examine the witness is waived by all parties and accepted by the presiding officer. The presiding officer may allow substitution of a witness or voir dire examination where appropriate. Written testimony is subject to the same evidentiary objections as oral testimony. Timely prefiling of written testimony and exhibits, if required under this section or by order of the presiding officer, is a prerequisite for admission into evidence.

(c) Supplementation of prefiled testimony and exhibits. Oral or written supplementation of prefiled testimony and exhibits may be allowed prior to or during the hearing provided that the witness is available for cross-examination. The presiding officer may exclude such testimony if there is a showing that the supplemental testimony raises new issues or unreasonably deprives opposing parties of the opportunity to respond to the supplemental testimony. The presiding officer may admit the supplemental testimony and grant the parties time to respond.

(d) Tender and service. On or before the date the prefiled written testimony and exhibits are due, parties must file such testimony and exhibits in accordance with the requirements of §22.71 of this title (relating to Commission Filing Requirements and Procedures, or other commission rule or order, of the testimony and exhibits with Central Records and must serve a copy upon each party.

(e) Withdrawal of evidence. Any exhibit offered and admitted in evidence may not be withdrawn except with the agreement of all parties and approval of the presiding officer.

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

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

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Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Effective date: April 2, 2026
Proposal publication date: October 3, 2025
For further information, please call: (512) 936-7044

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SUBCHAPTER M. PROCEDURES AND FILING REQUIREMENTS IN PARTICULAR COMMISSION PROCEEDINGS

16 TAC §§22.241, 22.244, 22.246

The amended rules are adopted under the following provisions of PURA and the Texas Water Code: PURA §14.001 and Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; PURA §14.002 and Texas Water Code §13.041(b), which provides the commission with the authority to make adopt and enforce rules

reasonably required in the exercise of its powers and jurisdiction; PURA §14.052 and Texas Water Code §13.041(b), which requires the commission to adopt and enforce rules governing practice and procedure before the commission and SOAH. The amended rules are also adopted under the following provisions of PURA: PURA §12.201 which requires the commission to prepare and publicize information of public interest describing the functions of the commission and the commission's procedures by which a complaint is filed with and resolved by the commission and requires the commission to, by rule, establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the commission; PURA §15.023, which provides the commission with the authority to assess and impose an administrative penalty against a regulated person that violates PURA, or a rule or order adopted by the commission in accordance with PURA; PURA §15.051 which authorizes an affected person to complain to the regulatory in writing by a public utility in violation or claimed violation of a law that the regulatory authority has jurisdiction to administer or of an order, ordinance, or rule of the regulatory authority, and requires the commission to, for a reasonable period preserve information about each complaint filed with the commission that the commission has authority to resolve; PURA §17.157 which authorizes the commission to resolve disputes between a retail customer and a billing utility, service provider, telecommunications utility, retail electric provider, or electric utility, including the investigation of alleged violations; PURA Chapter 15, Subchapter B §§15.021-15.033 and Texas Water Code Chapter 13, Subchapter K §§13.411-13.419 which collectively establish the commission' s enforcement authority to enjoin, investigate, or require compliance from a person or entity in violation or alleged violation of statute or commission rules, including the commission's authority to impose and assess administrative penalties; and PURA Chapter 33, Subchapter C §§33.051-33.055 which governs the appeal of municipal ratemaking orders to the commission. The amended rules are also adopted under HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13 which transferred regulatory jurisdiction of the rates, operations, and services of retail public utilities from the Texas Commission on Environmental Quality to the commission and the following provisions of the Texas Government Code: Texas Government Code §§2001.004-007 and Subchapter B §§2001.021-2001.041 which establish general rulemaking requirements and procedures, including notice obligations, for agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter C §§2001.051-2001.062, which establish minimum standards of uniform practice and procedure for contested cases held at agencies of the State of Texas, including the requirements and procedures for a state agency to examine the record in a contested case and issue proposals for decision; Texas Government Code, Subchapter D § 2001.081-103, which govern the usage of and procedures for evidence, witnesses and discovery for contested cases held at agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter F §§2001.141-2001.147 which establish the requirements and procedures, including notice obligations, associated with the issuance of final decisions and orders by a state agency in a contested case, including the procedures for prerequisites to appeal and requirements for motions for rehearing.

Cross reference to statutes: Public Utility Regulatory Act §§14.001, 14.002, 14.052, and Texas Water Code §13.041(a) and (b); Public Utility Regulatory Act §§12.201, Chapter 15, Subchapter B 15.021-15.033, 15.051, 17.157; Chapter 33, Subchapter C 33.051-33.055; Texas Water Code Chapter 13, Subchapter K §§13.411-13.419; and HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13; Texas Government Code Chapter 2001, 2001.004-007 and Subchapter B 2001.021-2001.041; Subchapter C 2001.051-2001.062 and Subchapter D 2001.081-103; Subchapter F 2001.141-2001.147.

§22.241. Investigations.

(a) Commission investigations.

(1) The commission may at any time institute formal investigations on its own motion, or the motion of commission staff, into any matter within the commission's jurisdiction. Orders and pleadings initiating investigations will specify the matters to be investigated, and will be served upon the person being investigated.

(2) Notice of commission-instituted investigations of specific persons subject to commission regulation and investigative proceedings affecting such persons as a class will be served upon all affected persons under investigation. The commission will post notice with the Texas Register of prehearing conferences and hearings. The presiding officer may require additional notice.

(b) Show cause orders in complaint proceeding. The presiding officer, either upon his or her own motion or upon receipt of written complaint, may at any time after appropriate notice has been given, summon any person within the commission's jurisdiction to appear in a public hearing and show cause why such person should not be compelled to comply with any applicable statute, rule, regulation, or general order with which the person is allegedly not in compliance. All hearings in such show cause proceedings will be conducted in accordance with the provisions of this chapter.

(c) No limitations. Nothing in this section limits the commission's authority to investigate persons subject to the commission's jurisdiction.

§22.244. Review of Municipal Electric Rate Actions.

(a) Contents of petitions. In addition to any information required by statute, petitions for review of municipal rate actions filed under PURA §33.052 or §§33.101 - 33.104 must contain the original petition for review with the required signatures and following additional information.

(1) Each signature page of a petition must contain in legible form above the signatures the following:

(A) A statement that the petition is an appeal of a specific rate action of the municipality in question;

(B) The date of and a concise description of that rate action;

(C) A statement designating a specific individual, group of individuals, or organization as the signatories' authorized representative; and

(D) A statement that the designated representative is authorized to represent the signatories in all proceedings before the commission and appropriate courts of law and to do all things necessary to represent the signatories in those proceedings.

(2) The printed or typed name, telephone number, street or rural route address, and if available, the email address and facsimile transmission number of each signatory must be provided. Post office box numbers are not sufficient. In appeals relating to PURA §§33.101 - 33.104, the petition must list the address of the location where service is received if the address differs from the residential address of the signatory.

(b) Signatures. A signature must be counted only once, regardless of the number of bills the signatory receives. The signature must be of the person in whose name service is provided or such person's spouse. The signature must be accompanied by a statement indicating whether the signatory is appealing the municipal rate action as a qualified voter of that municipality under PURA §33.052, or as a customer of the municipality served outside the municipal limits under PURA §§33.101 - 33.104.

(c) Validity of petition and correction of deficiencies. The petition must include all of the information required by this section, legibly written, for each signature in order for the signature to be deemed valid. The presiding officer may allow the petitioner a reasonable time of up to 30 days from the date any deficiencies are identified to cure any defects in the petition.

(d) Verification of petition. Unless otherwise provided by order of the presiding officer, the following procedures must be followed to verify petitions appealing municipal rate actions filed under PURA §33.052 and §§33.101 - 33.104.

(1) Within 15 days of the filing of an appeal of a municipal rate action, the Office of Policy and Docket Management must send a copy of the petition to the respondent municipality with a directive that the municipality verify the signatures on the petition.

(2) Within 30 days after receipt of the petition from the Office of Policy and Docket Management, the municipality must file with the commission a statement of review, together with a supporting written affidavit sworn to by a municipal official.

(3) The period for the municipality's review of the signatures on the petition may be extended by the presiding officer for good cause.

(4) Failure of the municipality to timely submit the statement of review must result in all signatures being deemed valid, unless any signature is otherwise shown to be invalid or is invalid on its face.

(5) Objections by the municipality to the authenticity of signatures must be set out in its statement of review and will be resolved by the presiding officer.

(e) Disputes. Any dispute over the sufficiency or legibility of a petition will be resolved by the presiding officer by interim order.

§22.246. Administrative Penalties.

(a) Scope. This section addresses enforcement actions related to administrative penalties or disgorgement of excess revenues only and does not apply to any other enforcement actions that may be undertaken by the commission or commission staff.

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

(1) Affected wholesale electric market participant--An entity, including a retail electric provider (REP), municipally owned utility (MOU), or electric cooperative, that sells energy to retail customers and served load during the period of the violation.

(2) Excess revenue--As defined in §25.503 of this title (relating to Oversight of Wholesale Market Participants).

(3) Executive director--The executive director of the commission or the executive director's designee.

(4) Person--Includes a natural person, partnership of two or more persons having a joint or common interest, mutual or cooperative association, and corporation.

(5) Violation--Any activity or conduct prohibited by the Public Utility Regulatory Act (PURA), the Texas Water Code (TWC), commission rule, or commission order.

(6) Continuing violation--Except for a violation of PURA chapter 17, 55, or 64, and commission rules or commission orders adopted or issued under those chapters, any instance in which the person alleged to have committed a violation attests that a violation has been remedied and was accidental or inadvertent and subsequent investigation reveals that the violation has not been remedied or was not accidental or inadvertent.

(c) Amount of administrative penalty for violations of PURA or a rule or order adopted under PURA.

(1) Each day a violation continues or occurs is a separate violation for which an administrative penalty can be levied, regardless of the status of any administrative procedures that are initiated under this subsection.

(2) The administrative penalty for each separate violation of PURA or of a rule or order adopted under PURA may not exceed the limits established by §25.8 of this title (relating to Classification System for Violations of Statutes, Rules, and Orders Applicable to Electric Service Providers).

(3) The amount of the administrative penalty must be based on:

(A) the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited acts, and the hazard or potential hazard created to the health, safety, or economic welfare of the public;

(B) the economic harm to property or the environment caused by the violation;

(C) the history of previous violations;

(D) the amount necessary to deter future violations;

(E) efforts to correct the violation;

(F) adherence to an applicable voluntary mitigation plan approved by the commission under §25.504 of this title (relating to Wholesale Market Power in the Electric Reliability Council of Texas Power Region); and

(G) any other matter that justice may require, including, but not limited to, the respondent's timely compliance with requests for information, completeness of responses, and the manner in which the respondent has cooperated with the commission during the investigation of the alleged violation.

(d) Amount of administrative penalty for violations of the TWC or a rule or order adopted under chapter 13 of the TWC.

(1) Each day a violation continues may be considered a separate violation for which an administrative penalty can be levied, regardless of the status of any administrative procedures that are initiated under this subsection.

(2) The administrative penalty for each separate violation may be in an amount not to exceed $5,000 per day.

(3) The amount of the penalty must be based on:

(A) the nature, circumstances, extent, duration, and gravity of the prohibited acts or omissions;

(B) the degree of culpability, including whether the violation was attributable to mechanical or electrical failures and whether the violation could have been reasonably anticipated and avoided;

(C) the demonstrated good faith, including actions taken by the person, affiliated interest, or entity to correct the cause of the violation;

(D) any economic benefit gained through the violations;

(E) the amount necessary to deter future violations; and

(F) any other matters that justice requires.

(e) Initiation of investigation. Upon receiving an allegation of a violation or of a continuing violation, the executive director will determine whether an investigation should be initiated.

(f) Report of violation or continuing violation. If, based on the investigation undertaken in accordance with subsection (e) of this section, the executive director determines that a violation or a continuing violation has occurred, the executive director may issue a report to the commission.

(1) Contents of the report. The report must state the facts on which the determination is based and a recommendation on the imposition of an administrative penalty, including a recommendation on the amount of the administrative penalty and, if applicable under §25.503 of this title, a recommendation that excess revenue be disgorged.

(2) Notice of report.

(A) Within 14 days after the report is issued, the executive director will give written notice of the report to the person who is alleged to have committed the violation or continuing violation which is the subject of the report. The notice must be given by regular mail, certified mail, or email to the mailing address or email address maintained in the commission's records. If no such addresses exist, the executive director or executive director's designee will make reasonable efforts to notify the person who is alleged to have committed the violation.

(B) For violations of the TWC or a rule or order adopted under chapter 13 of the TWC, within ten days after the report is issued, the executive director will, by certified mail, return receipt requested, give written notice of the report to the person who is alleged to have committed the violation or continuing violation which is the subject of the report.

(C) The notice must include:

(i) a brief summary of the alleged violation or continuing violation;

(ii) a statement of the amount of the recommended administrative penalty;

(iii) a statement recommending disgorgement of excess revenue, if applicable, under §25.503 of this title;

(iv) a statement that the person who is alleged to have committed the violation or continuing violation has a right to a hearing on the occurrence of the violation or continuing violation, the amount of the administrative penalty, or both the occurrence of the violation or continuing violation and the amount of the administrative penalty;

(v) a copy of the report issued to the commission under this subsection; and

(vi) a copy of this section, §22.246 of this title (relating to Administrative Penalties).

(D) If the commission sends written notice to a person by mail addressed to the person's mailing address as maintained in the commission's records, the person is deemed to have received notice:

(i) on the fifth day after the date that the commission sent the written notice, for notice sent by regular mail; or

(ii) on the date the written notice is received or delivery is refused, for notice sent by certified mail.

(g) Options for response to notice of violation or continuing violation.

(1) Opportunity to remedy.

(A) This paragraph does not apply to a violation of PURA chapters 17, 55, or 64; PURA §35.0021 or §38.075; or chapter 13 of the TWC; or of a commission rule or commission order adopted or issued under those chapters or sections.

(B) Within 40 days of the date of receipt of a notice of violation set out in subsection (f)(2) of this section, the person against whom the administrative penalty or disgorgement may be assessed may file with the commission proof that the alleged violation has been remedied and that the alleged violation was accidental or inadvertent. A person who claims to have remedied an alleged violation has the burden of proving to the commission both that an alleged violation was remedied before the 31st day after the date the person received the report of violation and that the alleged violation was accidental or inadvertent. Proof that an alleged violation has been remedied and that the alleged violation was accidental or inadvertent must be evidenced in writing, under oath, and supported by necessary documentation.

(C) If the executive director determines that the alleged violation has been remedied, was remedied within 30 days, and that the alleged violation was accidental or inadvertent, no administrative penalty will be assessed against the person who is alleged to have committed the violation.

(D) If the executive director determines that the alleged violation was not remedied or was not accidental or inadvertent, the executive director will make a determination as to what further proceedings are necessary.

(E) If the executive director determines that the alleged violation is a continuing violation, the executive director will institute further proceedings, including referral of the matter for hearing under subsection (i) of this section.

(2) Payment of administrative penalty, disgorged excess revenue, or both. Within 20 days after the date the person receives the notice set out in subsection (f)(2) of this section, the person may accept the determination and recommended administrative penalty and, if applicable, the recommended excess revenue to be disgorged through a written statement sent to the executive director. If this option is selected, the person must take all corrective action required by the commission. The commission by written order will approve the determination and impose the recommended administrative penalty and, if applicable, recommended disgorged excess revenue or order a hearing on the determination and the recommended penalty.

(3) Request for hearing. Not later than the 20th day after the date the person receives the notice set out in subsection (f)(2) of this section, the person may submit to the executive director a written request for a hearing on any or all of the following:

(A) the occurrence of the violation or continuing violation;

(B) the amount of the administrative penalty; and

(C) the amount of disgorged excess revenue, if applicable.

(4) Failure to respond. If the person fails to timely respond to the notice set out in subsection (f)(2) of this section, the commission by order will approve the determination and impose the recommended penalty or order a hearing on the determination and the recommended penalty.

(5) Opportunity to remedy a weather preparedness violation.

(A) This paragraph applies to a violation of PURA §35.0021, §38.075, or a commission rule or order adopted or issued under those sections.

(B) PURA §15.024(c), as written, does not apply to a violation of PURA §35.0021, §38.075, or a commission rule or order adopted or issued under those sections. This paragraph implements PURA §15.024(c), as modified by PURA §15.023(a), §35.0021(g), and §38.075(d), for violations of PURA §35.0021, §38.075, or a commission rule or order adopted or issued under those sections.

(C) The commission may impose an administrative penalty against an entity regulated under PURA §35.0021 or §38.075 that violates those sections, or a commission rule or order adopted under those sections, except:

(i) the commission will assess a penalty for a violation of PURA §35.0021, §38.075, or a commission rule adopted under those sections if the entity against which the penalty may be assessed does not remedy the violation within a reasonable amount of time; and,

(ii) the commission will not assess a penalty for a violation of PURA §35.0021, §38.075, or a commission rule or order adopted or issued under those sections if the violation was accidental or inadvertent, and the entity against which the penalty may be assessed remedies the violation within a reasonable period of time.

(D) For purposes of this paragraph, the following provisions apply unless a provision conflicts with a commission rule or order adopted under PURA §35.0021 or §38.075, in which case, the commission rule or order applies.

(i) Not all violations to which this paragraph applies can be remedied. Subparagraph (C)(i) and (ii) of this paragraph do not apply to a violation that cannot be remedied.

(ii) For purposes of subparagraph (C)(i) and (ii) of this paragraph, an entity that claims to have remedied an alleged violation and, if applicable, that the alleged violation was accidental or inadvertent has the burden of proving its claim to the commission. Proof that an alleged violation has been remedied and, if applicable, that the alleged violation was accidental or inadvertent must be evidenced in writing, under oath, and supported by necessary documentation.

(iii) An entity that remedies a violation that is discovered during an inspection by the independent organization certified under PURA §39.151 for the ERCOT power region prior to the deadline provided to that entity by the independent organization in accordance with PURA §35.0021 or §38.075 is deemed to have remedied that violation in a reasonable period of time.

(iv) If the independent organization certified under PURA §39.151 has not provided an entity with a deadline, the executive director will determine whether the deadline can be remedied and, if so, the deadline for remedying a violation within a reasonable period of time. The executive director will provide the entity with written notice of the violation and the deadline for remedying the violation within a reasonable period of time. This notice does not constitute notice under subsection (f)(2) of this section unless it fulfills the other requirements of that subsection. However, the provisions of subsection (f)(2)(D) of this section apply to notice under this clause.

(v) The executive director will determine if and when a report should be issued to the commission under subsection (f) of this section and will make a determination as to what further proceedings are necessary.

(vi) If the executive director determines that the alleged violation was not remedied within a reasonable period of time or is a continuing violation, the executive director will issue a report to the commission under subsection (f) of this section and will institute further proceedings, including referral of the matter for hearing under subsection (i) of this section.

(vii) If the commission determines that the deadline for remedying a violation provided by the independent organization certified under PURA §39.151 or determined by the executive director is unreasonable, the commission will determine what the deadline should have been. The commission will use this updated deadline to determine the applicability of subparagraph (C)(i) and (ii) of this paragraph and, if appropriate, as a factor in determining the magnitude of administrative penalty to impose against the entity for the violation.

(h) Settlement conference. A settlement conference may be requested by any party to discuss the occurrence of the violation or continuing violation, the amount of the administrative penalty, disgorged excess revenue if applicable, and the possibility of reaching a settlement prior to hearing. A settlement conference is not subject to the Texas Rules of Evidence or the Texas Rules of Civil Procedure; however, the discussions are subject to Texas Rules of Civil Evidence 408, concerning compromise and offers to compromise.

(1) If a settlement is reached:

(A) the parties must file a report with the executive director setting forth the factual basis for the settlement;

(B) the executive director will issue the report of settlement to the commission; and

(C) the commission by written order will approve the settlement.

(2) If a settlement is reached after the matter has been referred to SOAH, the matter will be returned to the commission. If the settlement is approved, the commission will issue an order memorializing commission approval and setting forth commission orders associated with the settlement agreement.

(i) Hearing. If a person requests a hearing under subsection (g)(3) of this section, or the commission orders a hearing under subsection (g)(4) of this section, the commission will refer the case to SOAH under §22.207 of this title (relating to Referral to State Office of Administrative Hearings) and give notice of the referral to the person. For violations of the TWC or a rule or order adopted under chapter 13 of the TWC, if the person charged with the violation fails to timely respond to the notice, the commission by order will assess the recommended penalty or order a hearing to be held on the findings and recommendations in the report. If the commission orders a hearing, the case will then proceed as set forth in paragraphs (1) - (5) of this subsection.

(1) The commission will provide the SOAH administrative law judge a list of issues or areas that must be addressed.

(2) The hearing must be conducted in accordance with the provisions of this chapter and notice of the hearing must be provided in accordance with the Administrative Procedure Act.

(3) The SOAH administrative law judge will promptly issue to the commission a proposal for decision, including findings of fact and conclusions of law, about:

(A) the occurrence of the alleged violation or continuing violation;

(B) whether the alleged violation was cured and was accidental or inadvertent for a violation of any chapter other than PURA chapters 17, 55, or 64; of a commission rule or commission order adopted or issued under those chapters; or of chapter 13 of the TWC; and

(C) the amount of the proposed administrative penalty and, if applicable, disgorged excess revenue.

(4) Based on the SOAH administrative law judge's proposal for decision, the commission may:

(A) determine that a violation or continuing violation has occurred and impose an administrative penalty and, if applicable, disgorged excess revenue;

(B) if applicable, determine that a violation occurred but that, as permitted by subsection (g)(1) of this section, the person remedied the violation within 30 days and proved that the violation was accidental or inadvertent, and that no administrative penalty will be imposed; or

(C) determine that no violation or continuing violation has occurred.

(5) Notice of the commission's order issued under paragraph (4) of this subsection must be provided under the Government Code, chapter 2001 and §22.263 of this title (relating to Final Orders) and must include a statement that the person has a right to judicial review of the order.

(j) Parties to a proceeding. The parties to a proceeding under chapter 15 of PURA relating to administrative penalties or disgorgement of excess revenue will be limited to the person who is alleged to have committed the violation or continuing violation and the commission, including the independent market monitor. This does not apply to a subsequent proceeding under subsection (k) of this section.

(k) Distribution of Disgorged Excess Revenues. Disgorged excess revenues must be remitted to an independent organization, as defined in PURA §39.151. The independent organization must distribute the excess revenue to affected wholesale electric market participants in proportion to their load during the intervals when the violation occurred to be used to reduce costs or fees incurred by retail electric customers. However, if the commission determines other wholesale electric market participants are affected or a different distribution method is appropriate, the commission may direct the independent organization to distribute the excess revenue to affected wholesale market participants using a different distribution method in the same or a subsequent proceeding.

(1) No later than 90 days after the disgorged excess revenues are remitted to the independent organization, the monies must be distributed to affected wholesale electric market participants active at the time of distribution, or the independent organization must, by that date, notify the commission of the date by which the funds will be distributed. The independent organization must include with the distributed monies a communication that explains the docket number in which the commission ordered the disgorged excess revenues, an instruction that the monies must be used to reduce costs or fees incurred by retail electric customers, and any other information the commission orders.

(2) The commission may require any affected wholesale electric market participants receiving disgorged funds to demonstrate how the funds were used to reduce the costs or fees incurred by retail electric customers.

(3) Any affected wholesale electric market participant receiving disgorged funds that is affiliated with the person from whom the excess revenue is disgorged must distribute all of the disgorged excess revenues directly to its retail customers and must provide certification under oath to the commission.

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

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

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Katelyn Lewis
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16 TAC §22.248

The repeal is adopted under the following provisions of PURA and the Texas Water Code: PURA §14.001 and Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; PURA §14.002 and Texas Water Code §13.041(b), which provides the commission with the authority to make adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; PURA §14.052 and Texas Water Code §13.041(b), which requires the commission to adopt and enforce rules governing practice and procedure before the commission and SOAH. The repeal is also adopted under the following provisions of PURA: PURA §12.201 which requires the commission to prepare and publicize information of public interest describing the functions of the commission and the commission's procedures by which a complaint is filed with and resolved by the commission and requires the commission to, by rule, establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the commission; PURA §15.023, which provides the commission with the authority to assess and impose an administrative penalty against a regulated person that violates PURA, or a rule or order adopted by the commission in accordance with PURA; PURA §15.051 which authorizes an affected person to complain to the regulatory in writing by a public utility in violation or claimed violation of a law that the regulatory authority has jurisdiction to administer or of an order, ordinance, or rule of the regulatory authority, and requires the commission to, for a reasonable period preserve information about each complaint filed with the commission that the commission has authority to resolve; PURA §17.157 which authorizes the commission to resolve disputes between a retail customer and a billing utility, service provider, telecommunications utility, retail electric provider, or electric utility, including the investigation of alleged violations; PURA Chapter 15, Subchapter B §§15.021-15.033 and Texas Water Code Chapter 13, Subchapter K §§13.411-13.419 which collectively establish the commission' s enforcement authority to enjoin, investigate, or require compliance from a person or entity in violation or alleged violation of statute or commission rules, including the commission's authority to impose and as-

sess administrative penalties; and PURA Chapter 33, Subchapter C §§33.051-33.055 which governs the appeal of municipal ratemaking orders to the commission. The amended rules are also adopted under HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13 which transferred regulatory jurisdiction of the rates, operations, and services of retail public utilities from the Texas Commission on Environmental Quality to the commission and the following provisions of the Texas Government Code: Texas Government Code §§2001.004-007 and Subchapter B §§2001.021-2001.041 which establish general rulemaking requirements and procedures, including notice obligations, for agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter C §§2001.051-2001.062, which establish minimum standards of uniform practice and procedure for contested cases held at agencies of the State of Texas, including the requirements and procedures for a state agency to examine the record in a contested case and issue proposals for decision; Texas Government Code, Subchapter D § 2001.081-103, which govern the usage of and procedures for evidence, witnesses and discovery for contested cases held at agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter F §§2001.141-2001.147 which establish the requirements and procedures, including notice obligations, associated with the issuance of final decisions and orders by a state agency in a contested case, including the procedures for prerequisites to appeal and requirements for motions for rehearing.

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

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SUBCHAPTER N. DECISION AND ORDERS

16 TAC §§22.261 - 22.264

The amended rules are adopted under the following provisions of PURA and the Texas Water Code: PURA §14.001 and Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; PURA §14.002 and Texas Water Code §13.041(b), which provides the commission with the authority to make adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; PURA §14.052 and Texas Water Code §13.041(b), which requires the commission to adopt and enforce rules governing practice and procedure before the commission and SOAH. The amended rules are also adopted under the following provisions of PURA: PURA §12.201 which requires the commission to prepare and publicize information of public interest describing the functions of the commission and the commission's procedures by which a complaint is filed with and resolved by the commission and requires the commission to, by rule, establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the commission; PURA §15.023, which provides the commission with the authority to assess and impose an administrative penalty against a regulated person that violates PURA, or a rule or order adopted by the commission in accordance with PURA; PURA §15.051 which authorizes an affected person to complain to the regulatory in writing by a public utility in violation or claimed violation of a law that the regulatory authority has jurisdiction to administer or of an order, ordinance, or rule of the regulatory authority, and requires the commission to, for a reasonable period preserve information about each complaint filed with the commission that the commission has authority to resolve; PURA §17.157 which authorizes the commission to resolve disputes between a retail customer and a billing utility, service provider, telecommunications utility, retail electric provider, or electric utility, including the investigation of alleged violations; PURA Chapter 15, Subchapter B §§15.021-15.033 and Texas Water Code Chapter 13, Subchapter K §§13.411-13.419 which collectively establish the commission' s enforcement authority to enjoin, investigate, or require compliance from a person or entity in violation or alleged violation of statute or commission rules, including the commission's authority to impose and assess administrative penalties; and PURA Chapter 33, Subchapter C §§33.051-33.055 which governs the appeal of municipal ratemaking orders to the commission. The amended rules are also adopted under HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13 which transferred regulatory jurisdiction of the rates, operations, and services of retail public utilities from the Texas Commission on Environmental Quality to the commission and the following provisions of the Texas Government Code: Texas Government Code §§2001.004-007 and Subchapter B §§2001.021-2001.041 which establish general rulemaking requirements and procedures, including notice obligations, for agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter C §§2001.051-2001.062, which establish minimum standards of uniform practice and procedure for contested cases held at agencies of the State of Texas, including the requirements and procedures for a state agency to examine the record in a contested case and issue proposals for decision; Texas Government Code, Subchapter D § 2001.081-103, which govern the usage of and procedures for evidence, witnesses and discovery for contested cases held at agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter F §§2001.141-2001.147 which establish the requirements and procedures, including notice obligations, associated with the issuance of final decisions and orders by a state agency in a contested case, including the procedures for prerequisites to appeal and requirements for motions for rehearing.

Cross reference to statutes: Public Utility Regulatory Act §§14.001, 14.002, 14.052, and Texas Water Code §13.041(a) and (b); Public Utility Regulatory Act §§12.201, Chapter 15, Subchapter B 15.021-15.033, 15.051, 17.157; Chapter 33,

Subchapter C 33.051-33.055; Texas Water Code Chapter 13, Subchapter K §§13.411-13.419; and HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13; Texas Government Code Chapter 2001, 2001.004-007 and Subchapter B 2001.021-2001.041; Subchapter C 2001.051-2001.062 and Subchapter D 2001.081-103; Subchapter F 2001.141-2001.147.

§22.261. Proposals for Decision.

(a) Requirement and Contents of Proposal for Decision. In a contested case, if a majority of the commissioners has not heard the case or read the record, the commission may not issue a final order, if adverse to a party other than the Commission, until a proposal for decision is served on all parties. The proposal for decision will be prepared by the presiding officer who conducted the hearing or who have read the record. The proposal for decision will include a proposed final order, a statement of the reasons for the proposed decision, and proposed findings of fact and conclusions of law in support of the proposed final order. Any party may file exceptions to the proposed decision in accordance with subsection (d) of this section. The presiding officer may supplement or amend a proposal for decision in response to the exceptions or replies submitted by the parties or upon the presiding officer's own motion. Making corrections or minor revisions of a proposal for decision is not considered issuance of an amended or supplemental proposal for decision.

(b) Procedures Regarding Proposed Orders. If the presiding officer's recommendation is not adverse to any party, the recommendation may be made through a proposed order containing findings of fact and conclusions of law. The proposed order must be served on all parties, and the commission counsel or presiding officer will establish a deadline for submitting proposed corrections or clarifications.

(c) Findings and Conclusions. The commission counsel or presiding officer may direct or authorize the parties to draft and submit proposed findings of fact and conclusions of law. The commission is not required to rule on findings of fact and conclusions of law that are not required or authorized.

(d) Exceptions and Replies.

(1) Who may file. Any party may file exceptions to the proposal for decision within the time period specified by commission counsel or the presiding officer. If any party files exceptions, the opportunity will be afforded to all parties to respond within a time period set by the commission counsel or presiding officer. Replies may only be filed in response to filed exceptions.

(2) Presentation. The presiding officer or commission counsel may require that issues be addressed in a specified order or according to a specified format. Proposed findings and conclusions may be submitted in conjunction with exceptions and replies. The evidence and law relied upon will be stated with particularity, and any evidence or arguments relied upon will be grouped under the exceptions or replies to which they relate.

(3) Request for Extension. A request for extension of time within which to file exceptions or replies must be filed with Central Records and served on all parties. The presiding officer or commission counsel may allow additional time for good cause shown. If additional time is allowed for exceptions, reasonable additional time will be allowed for replies.

§22.262. Commission Action After a Proposal for Decision.

(a) Commission Action. The commission may change a finding of fact or conclusion of law made by the administrative law judge or vacate or modify an order issued by the administrative law judge only if the commission:

(1) determines that the administrative law judge:

(A) did not properly apply or interpret applicable law, commission rules or policies, or prior administrative decisions; or

(B) issued a finding of fact that is not supported by a preponderance of the evidence; or

(2) determines that a commission policy or a prior administrative decision on which the administrative law judge relied is incorrect or should be changed.

(b) Reasons to Be in Writing. The commission will state in writing the specific reason and legal basis for its determination under subsection (a) of this section.

(c) Remand. The commission may remand the proceeding for further consideration.

(1) The commission may direct that further consideration by an administrative law judge be accomplished with or without reopening the hearing and may limit the issues to be considered.

(2) If additional evidence is admitted on remand that results in a substantial revision of the proposed decision or the underlying facts, an amended or supplemental proposal for decision or proposed order must be filed. If an amended or supplemental proposal for decision is filed, the provisions of §22.261(d) of this title (relating to proposal for decision) apply. Exceptions and replies must be limited to discussions, proposals, and recommendations in the supplemental proposal for decision.

(d) Oral Argument Before the Commission.

(1) Any party may request oral argument before the commission before the final disposition of any proceeding.

(2) Oral argument may be allowed at the commission's discretion. The commission may limit the scope and duration of oral argument. The party bearing the burden of proof has the right to open and close oral argument.

(3) A request for oral argument must be filed as a separate written pleading. The request must be filed no later than 5:00 p.m. Central Prevailing Time seven days before the open meeting at which the commission is scheduled to consider the case.

(4) Upon the filing of a motion for oral argument, the Office of Policy and Docket Management must send a separate ballot to each commissioner to determine whether the commission will hear oral argument at an open meeting. An affirmative vote by one commissioner is required to grant oral argument. Two days before the commission is scheduled to consider the case, the Office of Policy and Docket Management will file a notice to the parties regarding whether a request for oral argument has been granted.

(5) The absence or denial of a request for oral argument does not preclude the commissioners from asking questions of any party present at the open meeting.

(e) Commission Not Limited. This section does not limit the commission in the conduct of its meetings to the specific types of action outlined in this section.

§22.264. Rehearing.

(a) Motions for rehearing, replies thereto, and commission action on motions for rehearing are governed by the APA. Only a party to a proceeding before the commission may file a motion for rehearing.

(b) All motions for rehearing must state the claimed error with specificity. If an ultimate finding of fact stated in statutory language is claimed to be in error, the motion for rehearing must state all underlying or basic findings of fact claimed to be in error and must cite specific evidence which is relied upon as support for the claim of error.

(c) A motion for rehearing or a reply to a motion for rehearing is untimely if it is not filed by the deadlines specified in APA §2001.146 or, if the commission extends the time to file such motion or reply or approves a time agreed to by the parties, the date specified in the order of the commission extending time or approving the time.

(d) A motion by a party to extend time related to a motion for rehearing must be filed no less than ten days before the end of the time period that the party seeks to extend or it is untimely. Such motion must state with specificity the reasons the extension is justified.

(e) Upon the filing of a timely motion for rehearing or a timely motion to extend time, the Office of Policy and Docket Management must send separate ballots to each commissioner to determine whether they will consider the motion at an open meeting. Untimely motions will not be balloted. An affirmative vote by one commissioner is required for consideration of a motion for rehearing or a motion to extend time at an open meeting. If no commissioner votes to add a timely motion to extend time to an open meeting for consideration, the motion is overruled ten days after the motion is filed.

(f) If the commission extends time to act on a motion for rehearing, the Office of Policy and Docket Management must send separate ballots to each commissioner to determine whether they will consider the motion for rehearing at a subsequent open meeting. An affirmative vote by one commissioner is required to place the motion for rehearing on an open meeting agenda.

(g) A party that files a motion for rehearing or a reply to a motion for rehearing must deliver a copy of the motion or reply to every other party in the case.

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

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

TRD-202601224
Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Effective date: April 2, 2026
Proposal publication date: October 3, 2025
For further information, please call: (512) 936-7044

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SUBCHAPTER O. RULEMAKING

16 TAC §22.281, §22.282

The amended rules are adopted under the following provisions of PURA and the Texas Water Code: PURA §14.001 and Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; PURA §14.002 and Texas Water Code §13.041(b), which provides the commission with the authority to make adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; PURA §14.052 and Texas Water Code §13.041(b), which requires the commission to adopt and enforce rules governing practice and procedure before the commission and SOAH. The amended rules are also adopted under the following provisions of PURA: PURA §12.201 which requires the commission to prepare and publicize information of public interest describing the functions of the commission and the commission's procedures by which a complaint is filed with and resolved by the commission and requires the commission to, by rule, establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the commission; PURA §15.023, which provides the commission with the authority to assess and impose an administrative penalty against a regulated person that violates PURA, or a rule or order adopted by the commission in accordance with PURA; PURA §15.051 which authorizes an affected person to complain to the regulatory in writing by a public utility in violation or claimed violation of a law that the regulatory authority has jurisdiction to administer or of an order, ordinance, or rule of the regulatory authority, and requires the commission to, for a reasonable period preserve information about each complaint filed with the commission that the commission has authority to resolve; PURA §17.157 which authorizes the commission to resolve disputes between a retail customer and a billing utility, service provider, telecommunications utility, retail electric provider, or electric utility, including the investigation of alleged violations; PURA Chapter 15, Subchapter B §§15.021-15.033 and Texas Water Code Chapter 13, Subchapter K §§13.411-13.419 which collectively establish the commission' s enforcement authority to enjoin, investigate, or require compliance from a person or entity in violation or alleged violation of statute or commission rules, including the commission's authority to impose and assess administrative penalties; and PURA Chapter 33, Subchapter C §§33.051-33.055 which governs the appeal of municipal ratemaking orders to the commission. The amended rules are also adopted under HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13 which transferred regulatory jurisdiction of the rates, operations, and services of retail public utilities from the Texas Commission on Environmental Quality to the commission and the following provisions of the Texas Government Code: Texas Government Code §§2001.004-007 and Subchapter B §§2001.021-2001.041 which establish general rulemaking requirements and procedures, including notice obligations, for agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter C §§2001.051-2001.062, which establish minimum standards of uniform practice and procedure for contested cases held at agencies of the State of Texas, including the requirements and procedures for a state agency to examine the record in a contested case and issue proposals for decision; Texas Government Code, Subchapter D § 2001.081-103, which govern the usage of and procedures for evidence, witnesses and discovery for contested cases held at agencies of the State of Texas; Texas Government Code Chapter 2001, Subchapter F §§2001.141-2001.147 which establish the requirements and procedures, including notice obligations, associated with the issuance of final decisions and orders by a state agency in a contested case, including the procedures for prerequisites to appeal and requirements for motions for rehearing.

Cross reference to statutes: Public Utility Regulatory Act §§14.001, 14.002, 14.052, and Texas Water Code §13.041(a) and (b); Public Utility Regulatory Act §§12.201, Chapter 15, Subchapter B 15.021-15.033, 15.051, 17.157; Chapter 33, Subchapter C 33.051-33.055; Texas Water Code Chapter 13, Subchapter K §§13.411-13.419; and HB 1600 (83R), SB 567 (83R) and Texas Water Code Chapter 13; Texas Government Code Chapter 2001, 2001.004-007 and Subchapter B 2001.021-2001.041; Subchapter C 2001.051-2001.062 and Subchapter D 2001.081-103; Subchapter F 2001.141-2001.147.

§22.281. Initiation of Rulemaking.

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

(1) The petition must be in writing and must be submitted to the project opened under paragraph (2) of this subsection. The petition must include a brief explanation of the rule, each reason the new or amended rule should be adopted, the statutory authority for such a rule or amendment, and complete proposed text for the rule. The proposed text for the rule must indicate by striking through the words, if any, to be deleted from the current rule and by underlining the words, if any, to be added to the current rule. Any recommendation or request that the commission adopt a new rule or amend or repeal an existing rule that does not comply with the requirements of this section, including any recommendation or request made in a contested case proceeding (e.g., an argument by a party to a contested case that the commission should conduct a rulemaking related to a contested issue), will be construed as a policy recommendation and will not be processed as a petition for rulemaking under the APA and this section.

(2) Each calendar year, commission staff will open a general project for petitions for rulemaking and post the control number on the commission's website.

(3) Commission staff may file a memo in the general project opened under paragraph (2) of this subsection establishing a deadline for interested persons to file comments in response to the petition for rulemaking or designating a new control number for the submission of comments. Commission staff may relocate any relevant filings from the general control number to the new project. If commission staff does not file a memo under this paragraph, comments on a petition for rulemaking may be filed in the general project and the deadline for submitting comments on the petition is 21 days after the date the petition is filed.

(4) Within 60 days after submission of a petition that fully complies with the requirements of paragraph (1) of this subsection, the commission will either deny the petition in writing, stating its reasons for the denial, or initiate a rulemaking proceeding.

(b) Commission Initiated Rulemaking. The commission may initiate rulemaking proceedings on its own motion. Nothing in this section precludes commission staff from consideration or development of new rules or amendments to existing rules, including hosting workshops or publishing questions or draft rules language for comment, without express direction from the commission.

§22.282. Notice and Public Participation in Rulemaking Procedures.

(a) Informal Comments. Prior to the publication of a proposed rule or an amendment to an existing rule in the *Texas Register*, the commission or commission staff may solicit comments on the necessity for, scope, or contents of a contemplated rulemaking project by filing a request for comments on the Interchange. Unless otherwise prescribed by the commission or commission staff, any comments concerning the rulemaking project must be submitted within 30 days from the date the request for comments is filed. The commission or commission staff may hold workshops or public hearings on the rulemaking project.

(b) Notice. The commission may initiate a rulemaking project by publishing notice of the proposed rule in accordance with Tex. Gov't Code §§ 2001.021 - 2001.037.

(c) Public Comments. Prior to the adoption of any rule, the commission will afford all interested persons a reasonable opportunity to submit data, views, or arguments in writing. Written comments must be filed within 30 days of the date the proposed rule is published in the *Texas Register* unless the commission establishes a different date for submission of comments. The commission may also establish a schedule for reply comments if it determines that additional comments would be appropriate or helpful in reaching a decision on the proposed rule. Commission staff may provide an extension to the comment deadline, request reply comments, or provide additional comment filing instructions in a rulemaking project.

(d) Public Hearing. The commission or commission staff may schedule workshops or public hearings on the proposed rule. Commission staff will hold a public hearing if requested by at least 25 persons, by a governmental subdivision or agency, or by an association having at least 25 members. The request for public hearing must be made no later than 30 days after the date the proposed rule is published in the *Texas Register*, unless the commission establishes a different date for requesting a public hearing. Commission staff may provide an extension to the public hearing request deadline.

(e) Staff Recommendation. Staff's final recommendation will, if practicable, be filed in the rulemaking proceeding at least seven days prior to the date on which the commission is scheduled to consider the matter, unless some other date is specified by the commission. If commission staff does not file its final recommendation at least seven days prior to the date on which the commission is scheduled to consider the matter, the commission may still consider the recommendation or take action in the rulemaking project.

(f) Final Adoption. Following consideration of comments, the commission will issue an order adopting, adopting as amended, or withdrawing the rule within six months after the date of publication of the proposed rule or the rule is automatically withdrawn.

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

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

TRD-202601225
Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Effective date: April 2, 2026
Proposal publication date: October 3, 2025
For further information, please call: (512) 936-7044

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CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

SUBCHAPTER D. RECORDS, REPORTS, AND OTHER REQUIRED INFORMATION

16 TAC §25.88

The Public Utility Commission of Texas (commission) adopts one repeal in the Chapter 25 electric rules. The adopted repeal is in Subchapter D, §25.88, relating to Retail Market Performance Measure Reporting. The commission adopts the repeal without changes to the proposed text as published in the November 21, 2025 issue of the *Texas Register* (50 TexReg 7497). The repeal will not be republished.

The commission received comments about this project from AEP Texas Inc, Oncor Electric Delivery Company LLC, and Texas-New Mexico Power Company (filed jointly as Joint Commenters);

CenterPoint Energy Houston Electric, LLC (CenterPoint); City of Houston (Houston); ERCOT; the Coalition of Competitive Retailers (Coalition); Texas Energy Association for Marketers (TEAM); and Vistra Corporate Service Company LLC (Vistra).

To assist the commission in its continued monitoring of the performance of the retail market, commission staff requested responses to the following two questions:

Question One

1. Are the Retail Market Performance Measures, and their associated schedule parts, provided by the commission in the filing package sufficient to monitor the competitive Texas retail electricity market? If not, what else should the commission consider in its Retail Performance Measures?

Houston commented that the measures proposed were not comprehensive enough to monitor the competitive Texas retail market specifically as it applies to customers within Houston city limits and provided several metrics to include.

Joint Commenters and CenterPoint stated that the proposed measures are sufficient to monitor the competitive Texas retail electricity market.

The Coalition responded by stating that the current Retail Market Performance Measures are more than sufficient to monitor the competitive retail market, and the proposed measures and new §25.88 will not meaningfully assist with market monitoring.

Vistra encouraged the Commission to avoid creating inefficiencies, redundancies, and unnecessary form/information gathering in this rulemaking.

TEAM requested that the reporting measures be taken on an annual basis.

Commission Response

The commission may consider Houston's recommended additions in future rulemakings as these recommendations are outside the scope of the current rulemaking project.

The commission disagrees with the Coalition that the proposed measures and new §25.88 will not meaningfully assist with evaluation of the performance of the retail electric market in Texas. However, in implementing commission priorities such as removing redundancies and improving reporting efficiency for commission staff and reporting entities, several data inputs have been removed from the filing package. Specific modifications to the filing package recommended by the Coalition are addressed in responses below.

The commission agrees with Vistra that regulatory efficiency is an integral part of this rulemaking. As such, the commission modifies the forms to reduce administrative burden by removing overlapping reporting requirements.

The commission disagrees with TEAM that these measures should be received annually. Receiving quarterly data on a yearly cadence has the potential to create inefficiencies for commission staff and impact their ability to review the data in a timely manner. To limit administrative impacts for both commission staff and reporting entities, all reporting entities will continue to submit the requirements on a quarterly cadence.

Question Two

2. What else should the commission consider in its implementation of PURA §39.168 and its amendment to §25.88?

City of Houston recommended the addition of several measures to Schedules A, B, and C.

Also, Houston recommended that a link to individual REP performance metrics under §25.88 be included with each competitive retail electric plan offered through the Power to Choose website.

Joint Commenters requested that the commission provide clarity regarding the requirements of §25.474(p)(3), relating to Selection of Retail Electric Provider, once §25.88 is adopted and on the intended interaction between the reports required under these two rules.

CenterPoint provided a redline of the proposed excel form in Schedule C, Part 1 and Schedule C, Part 2 tabs of the attached Quarterly Retail Performance Measures Form to clarify the transactions that should be included and excluded from the quarterly reports.

CenterPoint also stated that transmission distribution utilities currently provide separate filings for other measures, including Residential Summer Disconnect for Non-Pay, AMS Opt-Out, Deferred Payment Plan Switch Hold Report, and Distributed Generation Reporting. These reporting requirements, while historically valuable, may warrant reconsideration by the commission to ensure they still serve their purpose or if there are other efficiencies that could be achieved to support the ERCOT market.

Joint Commenters requested the rule take effect starting with the second quarterly report due in 2026 to allow sufficient time for personnel training on the new requirements and for updating internal technical processes. CenterPoint requested the rule begin the new Quarterly Retail Performance Measures Form reports starting with the first quarter that commences after the effective date of the new §25.88 rule.

Commission Response

The commission may consider Houston's recommended additions in future rulemakings as these recommendations are outside the scope of the current rulemaking project.

As the requirements of §25.474 are outside the scope of this rulemaking, the commission may consider the Joint Commenters' recommended changes to §25.474 in a future rulemaking.

The commission has reviewed the redlined excel document submitted by CenterPoint and agrees in part. While the commission believes that clarity is important, it declines to add CenterPoint's clarifying edits to Schedule C, Part 1 as they are unnecessary. However, the commission agrees in part with CenterPoint's proposed changes to Schedule C, Part 2, and has modified the schedule and its instructions to reference DUNS numbers.

Additionally, while CenterPoint's other recommendations are out of scope of the current project, the commission may take up these recommendations in future rulemakings.

The commission agrees with Joint Commenters and CenterPoint request to establish an effective date that allows sufficient time for entities to adapt to the adopted rule's requirements and adds language to the rule providing that the new reporting requirements start with the second quarter of 2026.

Proposed §25.88(b)(2) - Filing Deadline

Proposed §25.88(b)(2) requires the report to be filed no later than the 30th day following the end of the preceding quarterly reporting period.

TEAM suggested the rule deadline should remain unchanged, i.e., by no later than the 45th day after the end of quarter.

The Coalition expressed concern regarding the rule's deadline, specifically that thirty days is not sufficient and would only increase the opportunities for inaccurate data submission and will significantly increase costs for REPs.

Vistra recommended maintaining the existing 45-day deadline under existing 16 TAC §25.88(c)(2) and editing (b)(2) in the Proposal for Publication.

Commission Response

The commission agrees with TEAM, the Coalition, and Vistra that a 30-day deadline could create unnecessary regulatory burden. As such, the commission modifies proposed subsection (b)(2) to increase the reporting deadline to 45 days.

Proposed §25.88(b)(3) - Confidential Information

Proposed §25.88(b)(3) allows an entity to designate, as confidential, information within its report that it considers to be confidential.

TEAM recommended revising proposed 25.88(b)(3) to exempt REPs from making a redacted filing such that the public portion of the Report would include the confidential filing memorandum but not a redacted copy of the Report.

Commission Response

The commission declines to add TEAM's recommended changes to paragraph (b)(3) as 16 TAC Chapter 22, relating to Procedural Rules, dictates proper procedure for all filings. As such, the commission removes the paragraph because it is redundant.

Proposed §25.88(e)(3) - Additional Information to ERCOT

Proposed §25.88(e)(3) allows ERCOT to require entities to submit to ERCOT additional information that relates to market performance for specific analytical or diagnostic purposes.

TEAM and Vistra requested that proposed (e)(3) include a reasonableness requirement regarding the deadline by which additional information requested by ERCOT must be provided.

Commission Response

The commission disagrees with TEAM and Vistra and declines to add a reasonableness requirement to subsection (e)(3), as 16 TAC §22.5, relating to Suspension of Rules and Commission-Prescribed Forms, allows a market entity to which this rule applies to seek an exception to a reporting requirement under this rule if the entity can show good cause for the exception.

Repealed §25.88(e)(4) - Waiver

Repealed §25.88(e)(4) removed a provision that allowed the commission to waive reporting requirements if it determines that it is either impractical or unduly burdensome for the reporting entity to furnish the requested information.

The Coalition recommended that the adopted rule retain subsection (e)(4).

Commission Response

The commission disagrees with the Coalition as 16 TAC §22.5, relating to Suspension of Rules and Commission-Prescribed Forms, allows a market entity to which this rule applies to seek an exception to a reporting requirement under this rule if the entity can show good cause for the exception.

Proposed §25.88(f)(1) - Enforcement

Proposed §25.88(f)(1) states that the commission may impose all applicable administrative penalties under §22.246, relating to Administrative Penalties, of this title for failure of a reporting entity to timely file accurate performance measures report.

TEAM recommended amending the rule to require the consideration of factors like the existing rule, including compliance history and severity of the violation to assess a penalty. TEAM recommended substituting the word complete for the word accurate because whether a report is accurate is a more subjective determination.

Commission Response

The commission declines to list the factors the commission may consider in its investigation of an instance of non-compliance as these are provided in other rules, including, §22.246, §25.107, relating to Certification and Obligations of Retail Electric Providers (REPs), and §25.71 relating to General Procedures, Requirement and Penalties. In line with removing redundant references to applicable rules, the commission removes subsection (f)(1) from the adopted rule.

Instructions

The proposed instructions document specified that each entity must file its' report by the 30th day following the end of the preceding quarterly reporting period. The quarterly reporting periods begin on January 1, April 1, July 1, and October 1.

Monthly Data

The Coalition requested clarification on the method the required data is to be presented either for each month or consolidated for a calendar quarter. The Coalition argued that quarterly data would be of equal value and would be considerable cost savings for REPs.

Commission Response

The commission disagrees with the Coalition in part, because the additional granularity provided in the form and described in the form's instructions is necessary to evaluate specific performance measures. These include the measures related to retail sales, disconnection for non-payment, unauthorized change of REP, and field performance. However, the commission agrees it is not necessary to require every performance measure to be reported in monthly totals, and modifies the form and instructions document accordingly.

Proposed Schedule A Part 1 - Reporting Requirements for REPs Retail Sales

Proposed Schedule A Part 1 required each REP to file a facsimile of the information required by EIA Form 861M, for each month during the quarterly reporting period. Specifically, each REP must provide its revenue, megawatt hours sold, and number of customers by the customer types residential, commercial, and industrial, as defined by EIA Form 861M.

TEAM requested that any reporting requirements regarding the format for the submission of EIA data mirror current requirements.

Commission Response

The commission declines to allow a copy of the EIA Form 861M to suffice as proper filing under this rule. Portable Document Format (PDF) files are not a practical format for commission staff to conduct its necessary analyses. The commission requires the

prescribed forms for consistency across reporting entities and to increase the efficiency of commission staff's review.

Proposed Schedule A Part 2 - Reporting Requirements for REPs Retail Sales by Premise Type

Proposed Schedule A, Part 2 required each REP to provide its retail sales for residential, small non-residential, medium non-residential, and large non-residential customers. Specifically, each REP must provide the corresponding customer counts, megawatt-hours sold, and revenues must be provided by premise type and TDU service territory for each month of the quarterly reporting period.

TEAM requested the removal of Schedule A, Part 2 to the Report as it would pose a regulatory burden. However, if the Commission approves Schedule A, Part 2 as proposed, TEAM recommended that this new requirement take effect no earlier than the Report for the first quarter of 2027. In addition TEAM provided that if the Commission adds the new reporting requirements embodied in Schedule A, Part 2, the proposed rule should be amended to require REPs to provide both this information and the EIA data required in Schedule A, Part 1 on an annual basis.

Vistra recommended deleting Schedule A, Part 2 entirely along with any associated reporting requirements outlined in the Commission' s form as duplicative.

Commission Response

The commission agrees with TEAM that providing consumer data under proposed Schedule A, Part 2 may present a regulatory burden for reporting entities. Additionally, the commission agrees with Vistra that proposed Schedule A, Part 2 includes overlapping reporting requirements for applicable entities. Therefore, the commission removes Schedule A, part 2 and amends Schedule B, Part 3 to require retail load information by transmission and distribution service provider.

Proposed Schedule A Part 3 - Reporting Requirements for REPs Retail Electric Provider Affiliations

Proposed Schedule A, Part 3 requires each REP to provide its affiliations by listing its subsidiaries and parent companies up to the ultimate corporate parent, and any sister companies that are registered or certified with the commission. Each company must be identified by name, relationship to the REP, and, if applicable, type of commission certification and corresponding certification number.

TEAM recommended limiting this schedule to a listing of all affiliates of a REP that also holds a REP certificate issued by the commission. TEAM further recommended that Schedule A, Part 3 should include a box a REP can check if the list of affiliates was the same for each month of the reporting period.

Commission Response

The commission disagrees with TEAM and declines to modify the instructions document and form to limit "affiliations" to only include other REPs registered with the commission. REPs provide the information one time under §25.107 for initial certification but do not consistently amend the information to reflect these changes. However, to minimize regulatory burdens, the commission modifies the form to require the reporting of affiliations once at the end of each quarter instead of each month of the quarter. The commission declines to add a check box to indicate that there have been no changes to the listed affiliations since the last required report; entities can simply submit the same list of its affiliates if there are no changes.

Proposed Schedule A Part 4 - Reporting Requirements for REPs Disconnection for Non-pay

Proposed Schedule A, Part 4 requires each REP to report the number of disconnect notices sent, disconnections requested, reconnections requested, and move-outs ordered after a Disconnection for Non-Pay (DNP) for residential customers, for critical care residential customers, chronic condition residential customers, and for prepaid service customers by TDU service territory for each month during the quarterly reporting period.

The Coalition recommended the commission eliminate from Schedule A, Part 4 the requirement to report the number of reconnections of a disconnected prepaid service customer completed within two hours. The Coalition stated that the proposed performance measurement conflicts with 16 TAC §25.498(j)(4), relating to Prepaid Service, because that rule requires a REP to submit a reconnection request no later than one hour after its customer has completed the reconnection requirements. Creating two separate reporting measurements, the Coalition posited, would create a discrepancy between the two rules and may impact the accuracy of what is reported. The Technical Performance Measures Report should not require any different period from that in §25.498(j)(4), relating to Prepaid Service.

The Coalition also recommended that the Commission either exempt customer accounts on prepaid plans from this requirement or develop a more practical reporting standard tailored to the unique nature of prepaid service.

In addition, the Coalition commented that the language in the proposed Instructions for Retail Performance Measures Report, Schedule A, Part 4 should not separate reporting concerning critical care residential customers and chronic condition residential customers.

Commission Response

The commission agrees with the Coalition that the data required under adopted §25.88 should be consistent with the requirements of §25.498 and modifies the form and the instructions document to remain consistent with §25.498(j)(4).

In order to address the unique nature of prepaid plans, the commission has modified proposed Schedule A, Part 4 to create a separate forms for prepaid customers in new Schedule A, Part 3.2, and to create a new form for post-pay customers, new Schedule A, Part 3.1.

Further, the commission agrees with the Coalition and clarifies that reporting under Schedule A, Part 3.1 for critical care residential customers and chronic condition residential customers is not to be reported as separate values. The commission modifies the instructions document to provide additional clarity.

Schedule B - Reporting Requirements for ERCOT

Proposed Schedule B dictates the retail performance measure reporting requirements for ERCOT.

ERCOT recommended updating Schedule B to remove the three references to TX Standard Electronic Transaction Change Control 814_07 as that transaction set was retired during a Texas SET upgrade and is no longer relevant.

Commission Response

The commission agrees with ERCOT and removes any reference to the 814_07 transaction set.

In adopting this section, the commission makes other minor modifications for the purpose of clarifying its intent.

This repeal is adopted under Public Utility Regulatory Act (PURA) §14.001, which grants the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by this title that is necessary and convenient to the exercise of that power and jurisdiction; §14.002, which authorizes the commission to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; §14.003, which provides authority to require reports of a public utility; §15.023, which provides for commission imposition of an administrative penalty against a person regulated under PURA who violates PURA or a rule adopted under PURA; §39.001, which sets forth the legislative policy and purpose of PURA Chapter 39, Restructuring of Electric Utility Industry; §39.101, which sets forth customer safeguards; §39.151, which subjects to commission review procedures established by an independent operator relating to the reliability of the regional electrical network and accounting for the production and delivery of electricity among generators and all other market participants; §39.168, which requires REPs and its affiliates to annually report to the commission certain retail sales metrics; §39.352, which sets forth standards for certification of REPs; §39.356, which provides for suspension, revocation, or amendment of a REP's certificate; and §39.357, which provides for the imposition of administrative penalties on a REP for violations described by §39.356.

Cross Reference to Statute: Public Utility Regulatory Act §14.001, 14.002, 14.003, 15.023, 39.001, 39.101, 39.151, 39.168, 39.352, 39.356, and 39.357.

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

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

TRD-202601227
Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Effective date: April 2, 2026
Proposal publication date: November 21, 2025
For further information, please call: (512) 936-7433

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16 TAC §25.88

The Public Utility Commission of Texas (commission) adopts new 16 TAC §25.88, relating to Retail Market Performance Measure Reporting. The adopted rule will implement Public Utility Regulatory Act (PURA) §39.168 as enacted by HB 1500 §24 during the Texas 88th Regular Legislative Session. Additionally, the adopted rule streamlines the reporting of competitive retail market data to the commission by Retail Electric Providers (REPs), Electric Reliability Council of Texas (ERCOT), and Transmission and Distribution Utilities (TDUs); thereby standardizing reporting practices across reporting entities. Further, the adopted rule reduces redundant data submission requirements for certain entities. The commission adopts this rule with changes to the proposed text as published in the November 21, 2025, issue of the *Texas Register* (50 TexReg 7497). This rule will be republished.

The commission received comments about this project from AEP Texas Inc, Oncor Electric Delivery Company LLC, and Texas-New Mexico Power Company (filed jointly as Joint Commenters); CenterPoint Energy Houston Electric, LLC (CenterPoint); City of Houston (Houston); ERCOT; the Coalition of Competitive Retailers (Coalition); Texas Energy Association for Marketers (TEAM); and Vistra Corporate Service Company LLC (Vistra).

To assist the commission in its continued monitoring of the performance of the retail market, commission staff requested responses to the following two questions:

Question One

1. Are the Retail Market Performance Measures, and their associated schedule parts, provided by the commission in the filing package sufficient to monitor the competitive Texas retail electricity market? If not, what else should the commission consider in its Retail Performance Measures?

Houston commented that the measures proposed were not comprehensive enough to monitor the competitive Texas retail market specifically as it applies to customers within Houston city limits and provided several metrics to include.

Joint Commenters and CenterPoint stated that the proposed measures are sufficient to monitor the competitive Texas retail electricity market.

The Coalition responded by stating that the current Retail Market Performance Measures are more than sufficient to monitor the competitive retail market, and the proposed measures and new §25.88 will not meaningfully assist with market monitoring.

Vistra encouraged the Commission to avoid creating inefficiencies, redundancies, and unnecessary form/information gathering in this rulemaking.

TEAM requested that the reporting measures be taken on an annual basis.

Commission Response

The commission may consider Houston's recommended additions in future rulemakings as these recommendations are outside the scope of the current rulemaking project.

The commission disagrees with the Coalition that the proposed measures and new §25.88 will not meaningfully assist with evaluation of the performance of the retail electric market in Texas. However, in implementing commission priorities such as removing redundancies and improving reporting efficiency for commission staff and reporting entities, several data inputs have been removed from the filing package. Specific modifications to the filing package recommended by the Coalition are addressed in responses below.

The commission agrees with Vistra that regulatory efficiency is an integral part of this rulemaking. As such, the commission modifies the forms to reduce administrative burden by removing overlapping reporting requirements.

The commission disagrees with TEAM that these measures should be received annually. Receiving quarterly data on a yearly cadence has the potential to create inefficiencies for commission staff and impact their ability to review the data in a timely manner. To limit administrative impacts for both commission staff and reporting entities, all reporting entities will continue to submit the requirements on a quarterly cadence.

Question Two

2. What else should the commission consider in its implementation of PURA §39.168 and its amendment to §25.88?

City of Houston recommended the addition of several measures to Schedules A, B, and C.

Also, Houston recommended that a link to individual REP performance metrics under §25.88 be included with each competitive retail electric plan offered through the Power to Choose website.

Joint Commenters requested that the commission provide clarity regarding the requirements of §25.474(p)(3), relating to Selection of Retail Electric Provider, once §25.88 is adopted and on the intended interaction between the reports required under these two rules.

CenterPoint provided a redline of the proposed excel form in Schedule C, Part 1 and Schedule C, Part 2 tabs of the attached Quarterly Retail Performance Measures Form to clarify the transactions that should be included and excluded from the quarterly reports.

CenterPoint also stated that transmission distribution utilities currently provide separate filings for other measures, including Residential Summer Disconnect for Non-Pay, AMS Opt-Out, Deferred Payment Plan Switch Hold Report, and Distributed Generation Reporting. These reporting requirements, while historically valuable, may warrant reconsideration by the commission to ensure they still serve their purpose or if there are other efficiencies that could be achieved to support the ERCOT market.

Joint Commenters requested the rule take effect starting with the second quarterly report due in 2026 to allow sufficient time for personnel training on the new requirements and for updating internal technical processes. CenterPoint requested the rule begin the new Quarterly Retail Performance Measures Form reports starting with the first quarter that commences after the effective date of the new §25.88 rule.

Commission Response

The commission may consider Houston's recommended additions in future rulemakings as these recommendations are outside the scope of the current rulemaking project.

As the requirements of §25.474 are outside the scope of this rulemaking, the commission may consider the Joint Commenters' recommended changes to §25.474 in a future rulemaking.

The commission has reviewed the redlined excel document submitted by CenterPoint and agrees in part. While the commission believes that clarity is important, it declines to add CenterPoint's clarifying edits to Schedule C, Part 1 as they are unnecessary. However, the commission agrees in part with CenterPoint's proposed changes to Schedule C, Part 2, and has modified the schedule and its instructions to reference DUNS numbers.

Additionally, while CenterPoint's other recommendations are out of scope of the current project, the commission may take up these recommendations in future rulemakings.

The commission agrees with Joint Commenters and CenterPoint request to establish an effective date that allows sufficient time for entities to adapt to the adopted rule's requirements and adds language to the rule providing that the new reporting requirements start with the second quarter of 2026.

Proposed §25.88(b)(2) - Filing Deadline

Proposed §25.88(b)(2) requires the report to be filed no later than the 30th day following the end of the preceding quarterly reporting period.

TEAM suggested the rule deadline should remain unchanged, i.e., by no later than the 45th day after the end of quarter.

The Coalition expressed concern regarding the rule's deadline, specifically that thirty days is not sufficient and would only increase the opportunities for inaccurate data submission and will significantly increase costs for REPs.

Vistra recommended maintaining the existing 45-day deadline under existing 16 TAC §25.88(c)(2) and editing (b)(2) in the Proposal for Publication.

Commission Response

The commission agrees with TEAM, the Coalition, and Vistra that a 30-day deadline could create unnecessary regulatory burden. As such, the commission modifies proposed subsection (b)(2) to increase the reporting deadline to 45 days.

Proposed §25.88(b)(3) - Confidential Information

Proposed §25.88(b)(3) allows an entity to designate, as confidential, information within its report that it considers to be confidential.

TEAM recommended revising proposed §25.88(b)(3) to exempt REPs from making a redacted filing such that the public portion of the Report would include the confidential filing memorandum but not a redacted copy of the Report.

Commission Response

The commission declines to add TEAM's recommended changes to subsection (b)(3) as 16 TAC Chapter 22, relating to Procedural Rules, dictates proper procedure for all filings. As such, the commission removes the paragraph because it is redundant.

Proposed §25.88(e)(3) - Additional Information to ERCOT

Proposed §25.88(e)(3) allows ERCOT to require entities to submit to ERCOT additional information that relates to market performance for specific analytical or diagnostic purposes.

TEAM and Vistra requested that proposed (e)(3) include a reasonableness requirement regarding the deadline by which additional information requested by ERCOT must be provided.

Commission Response

The commission disagrees with TEAM and Vistra and declines to add a reasonableness requirement to subsection (e)(3), as 16 TAC §22.5, relating to Suspension of Rules and Commission-Prescribed Forms, allows a market entity to which this rule applies to seek an exception to a reporting requirement under this rule if the entity can show good cause for the exception.

Repealed §25.88(e)(4) - Waiver

Repealed §25.88(e)(4) removed a provision that allowed the commission to waive reporting requirements if it determines that it is either impractical or unduly burdensome for the reporting entity to furnish the requested information.

The Coalition recommended that the adopted rule retain subsection (e)(4).

Commission Response

The commission disagrees with the Coalition as 16 TAC §22.5, relating to Suspension of Rules and Commission-Prescribed Forms, allows a market entity to which this rule applies to seek an exception to a reporting requirement under this rule if the entity can show good cause for the exception.

Proposed §25.88(f)(1) - Enforcement

Proposed §25.88(f)(1) states that the commission may impose all applicable administrative penalties under §22.246, relating to Administrative Penalties, of this title for failure of a reporting entity to timely file accurate performance measures report.

TEAM recommended amending the rule to require the consideration of factors like the existing rule, including compliance history and severity of the violation to assess a penalty. TEAM recommended substituting the word complete for the word accurate because whether a report is accurate is a more subjective determination.

Commission Response

The commission declines to list the factors the commission may consider in its investigation of an instance of non-compliance as these are provided in other rules, including, §22.246, §25.107, relating to Certification and Obligations of Retail Electric Providers (REPs), and §25.71 relating to General Procedures, Requirement and Penalties. In line with removing redundant references to applicable rules, the commission removes subsection (f)(1) from the adopted rule.

Instructions

The proposed instructions document specified that each entity must file its' report by the 30th day following the end of the preceding quarterly reporting period. The quarterly reporting periods begin on January 1, April 1, July 1, and October 1.

Monthly Data

The Coalition requested clarification on the method the required data is to be presented either for each month or consolidated for a calendar quarter. The Coalition argued that quarterly data would be of equal value and would be considerable cost savings for REPs.

Commission Response

The commission disagrees with the Coalition in part, because the additional granularity provided in the form and described in the form's instructions is necessary to evaluate specific performance measures. These include the measures related to retail sales, disconnection for non-payment, unauthorized change of REP, and field performance. However, the commission agrees it is not necessary to require every performance measure to be reported in monthly totals, and modifies the form and instructions document accordingly.

Proposed Schedule A Part 1 - Reporting Requirements for REPs Retail Sales

Proposed Schedule A Part 1 required each REP to file a facsimile of the information required by EIA Form 861M, for each month during the quarterly reporting period. Specifically, each REP must provide its revenue, megawatt hours sold, and number of customers by the customer types residential, commercial, and industrial, as defined by EIA Form 861M.

TEAM requested that any reporting requirements regarding the format for the submission of EIA data mirror current requirements.

Commission Response

The commission declines to allow a copy of the EIA Form 861M to suffice as proper filing under this rule. Portable Document Format (PDF) files are not a practical format for commission staff to conduct its necessary analyses. The commission requires the prescribed forms for consistency across reporting entities and to increase the efficiency of commission staff's review.

Proposed Schedule A Part 2 - Reporting Requirements for REPs Retail Sales by Premise Type

Proposed Schedule A, Part 2 required each REP to provide its retail sales for residential, small non-residential, medium non-residential, and large non-residential customers. Specifically, each REP must provide the corresponding customer counts, megawatt-hours sold, and revenues must be provided by premise type and TDU service territory for each month of the quarterly reporting period.

TEAM requested the removal of Schedule A, Part 2 to the Report as it would pose a regulatory burden. However, if the Commission approves Schedule A, Part 2 as proposed, TEAM recommended that this new requirement take effect no earlier than the Report for the first quarter of 2027. In addition TEAM provided that if the Commission adds the new reporting requirements embodied in Schedule A, Part 2, the proposed rule should be amended to require REPs to provide both this information and the EIA data required in Schedule A, Part 1 on an annual basis.

Vistra recommended deleting Schedule A, Part 2 entirely along with any associated reporting requirements outlined in the Commission' s form as duplicative.

Commission Response

The commission agrees with TEAM that providing consumer data under proposed Schedule A, Part 2 may present a regulatory burden for reporting entities. Additionally, the commission agrees with Vistra that proposed Schedule A, Part 2 includes overlapping reporting requirements for applicable entities. Therefore, the commission removes Schedule A, part 2 and amends Schedule B, Part 3 to require retail load information by transmission and distribution service provider.

Proposed Schedule A Part 3 - Reporting Requirements for REPs Retail Electric Provider Affiliations

Proposed Schedule A, Part 3 requires each REP to provide its affiliations by listing its subsidiaries and parent companies up to the ultimate corporate parent, and any sister companies that are registered or certified with the commission. Each company must be identified by name, relationship to the REP, and, if applicable, type of commission certification and corresponding certification number.

TEAM recommended limiting this schedule to a listing of all affiliates of a REP that also holds a REP certificate issued by the commission. TEAM further recommended that Schedule A, Part 3 should include a box a REP can check if the list of affiliates was the same for each month of the reporting period.

Commission Response

The commission disagrees with TEAM and declines to modify the instructions document and form to limit "affiliations" to only include other REPs registered with the commission. REPs provide the information one time under §25.107 for initial certification but do not consistently amend the information to reflect these changes. However, to minimize regulatory burdens, the commis-

sion modifies the form to require the reporting of affiliations once at the end of each quarter instead of each month of the quarter. The commission declines to add a check box to indicate that there have been no changes to the listed affiliations since the last required report; entities can simply submit the same list of its affiliates if there are no changes.

Proposed Schedule A Part 4 - Reporting Requirements for REPs Disconnection for Non-pay

Proposed Schedule A, Part 4 requires each REP to report the number of disconnect notices sent, disconnections requested, reconnections requested, and move-outs ordered after a Disconnection for Non-Pay (DNP) for residential customers, for critical care residential customers, chronic condition residential customers, and for prepaid service customers by TDU service territory for each month during the quarterly reporting period.

The Coalition recommended the commission eliminate from Schedule A, Part 4 the requirement to report the number of reconnections of a disconnected prepaid service customer completed within two hours. The Coalition stated that the proposed performance measurement conflicts with 16 TAC §25.498(j)(4), relating to Prepaid Service, because that rule requires a REP to submit a reconnection request no later than one hour after its customer has completed the reconnection requirements. Creating two separate reporting measurements, the Coalition posited, would create a discrepancy between the two rules and may impact the accuracy of what is reported. The Technical Performance Measures Report should not require any different period from that in §25.498(j)(4), relating to Prepaid Service.

The Coalition also recommended that the Commission either exempt customer accounts on prepaid plans from this requirement or develop a more practical reporting standard tailored to the unique nature of prepaid service.

In addition, the Coalition commented that the language in the proposed Instructions for Retail Performance Measures Report, Schedule A, Part 4 should not separate reporting concerning critical care residential customers and chronic condition residential customers.

Commission Response

The commission agrees with the Coalition that the data required under adopted §25.88 should be consistent with the requirements of §25.498 and modifies the form and the instructions document to remain consistent with §25.498(j)(4).

In order to address the unique nature of prepaid plans, the commission has modified proposed Schedule A, Part 4 to create a separate forms for prepaid customers in new Schedule A, Part 3.2, and to create a new form for post-pay customers, new Schedule A, Part 3.1.

Further, the commission agrees with the Coalition and clarifies that reporting under Schedule A, Part 3.1 for critical care residential customers and chronic condition residential customers is not to be reported as separate values. The commission modifies the instructions document to provide additional clarity.

Schedule B - Reporting Requirements for ERCOT

Proposed Schedule B dictates the retail performance measure reporting requirements for ERCOT.

ERCOT recommended updating Schedule B to remove the three references to TX Standard Electronic Transaction Change Control 814_07 as that transaction set was retired during a Texas SET upgrade and is no longer relevant.

Commission Response

The commission agrees with ERCOT and removes any reference to the 814_07 transaction set.

In adopting this section, the commission makes other minor modifications for the purpose of clarifying its intent.

This section is adopted under Public Utility Regulatory Act (PURA) §14.001, which grants the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by this title that is necessary and convenient to the exercise of that power and jurisdiction; §14.002, which authorizes the commission to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; §14.003, which provides authority to require reports of a public utility; §15.023, which provides for commission imposition of an administrative penalty against a person regulated under PURA who violates PURA or a rule adopted under PURA; §39.001, which sets forth the legislative policy and purpose of PURA Chapter 39, Restructuring of Electric Utility Industry; §39.101, which sets forth customer safeguards; §39.151, which subjects to commission review procedures established by an independent operator relating to the reliability of the regional electrical network and accounting for the production and delivery of electricity among generators and all other market participants; §39.168, which requires REPs and its affiliates to annually report to the commission certain retail sales metrics; §39.352, which sets forth standards for certification of REPs; §39.356, which provides for suspension, revocation, or amendment of a REP's certificate; and §39.357, which provides for the imposition of administrative penalties on a REP for violations described by §39.356.

Cross Reference to Statute: Public Utility Regulatory Act §14.001, 14.002, 14.003, 15.023, 39.001, 39.101, 39.151, 39.168, 39.352, 39.356, and 39.357.

§25.88. Retail Market Performance Measure Reporting.

(a) Applicability. This section applies to the Electric Reliability Council of Texas (ERCOT), retail electric providers (REPs), and transmission and distribution utilities (TDUs) except TDUs that provide only wholesale transmission service.

(b) Filing requirements. Using forms prescribed by the commission, a reporting entity must report activities as required by this section.

(1) Each entity must provide an electronic version of its retail market performance measures report (report) in a manner prescribed by the commission and follow any reporting instructions provided by the commission. The report and any accompanying documentation must be filed in the native format of the file.

(2) Beginning with the second quarter of 2026. The report must be filed no later than the 45th day following the end of the preceding quarterly reporting period. Quarterly periods begin on January 1, April 1, July 1, and October 1.

(c) Retail Market Performance Measures. The report requires reporting entities to provide data and documentation regarding the following performance measures:

(1) Competitive market indicators;

(2) Technical market mechanics; and

(3) Field performance statistics.

(d) Supporting documentation. Each Report must include:

(1) Analysis. Each report must include an analysis or explanation of the reporting entity's data and performance for the quarterly reporting period for any retail market performance measure that does not meet the expected performance level. The explanation or analysis must include the change in performance over the past quarterly reporting period and an explanation of circumstances that may have affected the reporting entity's performance.

(2) Report attestation. Each report submitted to the commission must be accompanied by a signed, notarized affidavit by an executive officer as defined in §25.107. The affidavit must attest that all material provided in the report is true, correct, and complete.

(3) Supporting documents available for inspection. Each supporting document, including records, books, and memoranda must be made available for inspection by the commission or commission staff upon request. Supporting documents must be maintained for a period of 24 months after the report date.

(e) Other reports.

(1) Additional reports requested by staff. The commission or commission staff may require a reporting entity to submit additional reports to allow the commission to analyze the changing dynamics of the retail electric market or to obtain information on specific issues that may require additional diagnostic review.

(2) Supplemental information. Upon request by the commission or commission staff, a reporting entity must provide any additional information that relates to its report. Such requests will provide a reasonable deadline that takes into account the information requested.

(3) Additional reports requested by ERCOT. ERCOT may require reporting entities to provide to ERCOT additional information that relates to market performance for specific analytical or diagnostic purposes.

(f) Enforcement by the commission.

(1) Failure to timely file an accurate report. The commission may impose all applicable administrative penalties under §22.246 of this title for failure of a reporting entity to timely file an accurate performance measures report.

(2) Prohibited conduct. Each entity must complete within the parameters set forth in the ERCOT Protocols and/or the Standard Tariff for Retail Delivery Service under §25.214 of this title (relating to Terms and Conditions of Retail Delivery Service Provided by Investor Owned Transmission and Distribution Utilities), at least 98% of all its technical market transactions in each transaction category identified in the filing package.

(g) Public information. The commission may produce a summary report on the retail market performance measures using the information collected as a result of these reporting requirements. Any such report will only contain public information. The commission may post the report on the commissions website or provide the report to any interested entity.

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

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

TRD-202601228

Katelyn Lewis
Rules Coordinator
Public Utility Commission of Texas
Effective date: April 2, 2026
Proposal publication date: November 21, 2025
For further information, please call: (512) 936-7433

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TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 89. ADAPTATIONS FOR SPECIAL POPULATIONS

SUBCHAPTER AA. COMMISSIONER'S RULES CONCERNING SPECIAL EDUCATION SERVICES

The Texas Education Agency (TEA) adopts amendments to §§89.1035, 89.1070, and 89.1080 and new §89.1127, concerning adaptations for special populations. The amendments to §§89.1035, 89.1070, and 89.1080 are adopted without changes to the proposed text as published in the November 7, 2025 issue of the *Texas Register* (50 TexReg 7215) and will not be republished. New §89.1127 is adopted with changes to the proposed text as published in the November 7, 2025 issue of the *Texas Register* (50 TexReg 7215) and will be republished. The adopted revisions implement House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025, by updating statutory cross references, aligning provisions related to graduation requirements for students receiving special education services and regional day school programs for the deaf, and adding a new section on the noneducational community-based support services grant program.

REASONED JUSTIFICATION: Section 89.1035 addresses age ranges for student eligibility for special education and related services. The adopted amendment updates statutory cross references to align with HB 2 and SB 568.

Section 89.1070 addresses graduation requirements for students receiving special education and related services. The adopted amendment adds new subsection (d) to align with HB 2 and SB 568 by clarifying the qualifications a student receiving special education and related services must meet to receive the distinguished level of achievement with modified curriculum.

Section 89.1070 is also modified to update cross references to the state standards in the Texas Administrative Code.

Section 89.1080 references regional day school programs for the deaf. The adopted amendment updates statutory cross references and adds reference to the state plan to align with HB 2 and SB 568. Additionally, to align with HB 2 and SB 568, the adopted amendment requires funds received by fiscal agents or program administrators under Texas Education Code, §48.315, to be spent on program related expenses, and adopted new subsection (c) addresses what must be included in a cooperative agreement between a member district and its fiscal agent.

Adopted new §89.1127 establishes procedures and criteria for the allocation of noneducational community-based support services grants to align with HB 2 and SB 568. The process to access noneducational community-based support services

will be a grant system provided to parents of eligible students. Adopted new subsection (a) establishes definitions. Based on public comment, subsection (a)(1) has been updated at adoption to provide additional clarity in the definition for "at risk of being placed in a residential program." Adopted new subsection (b) requires TEA to designate a regional education service center (ESC) to administer grants under this program. Adopted new subsection (c) establishes requirements for school districts. Adopted new subsection (d) outlines the operational responsibilities of the designated ESC. Adopted new subsection (e) establishes a requirement for a parent of an eligible student to complete the application process and procedures developed by the ESC to access the grants under this section. Adopted new subsection (f) establishes initial grant amounts under this program.

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began December 5, 2025, and ended January 5, 2026. Following is a summary of public comments received and agency responses.

Comment: A school counselor expressed concern that children of district employees including counselors, nurses, secretaries, librarians, and administrators who are not educators are not eligible for free prekindergarten in the district even though children of classroom teachers are now eligible.

Response: The agency offers the following clarification. The specification that only children of classroom teachers are eligible for free public prekindergarten is a requirement in state law, and the rule simply implements the statutory change. Further expansion of the eligibility criteria would need to be made by the legislature.

Comment: An educator expressed dissatisfaction with the removal of references to cultural diversity.

Response: The agency disagrees that the amendments to the language are not appropriate. References to cultural diversity were not removed from the rule. A reference to family engagement being culturally responsive was broadened to ensure that engagement is responsive to a variety of backgrounds. A second reference was adjusted to clarify that a district family engagement plan should identify partners to provide parents with all relevant resources reflective of the home language and not just culturally relevant resources.

DIVISION 2. CLARIFICATION OF PROVISIONS IN FEDERAL REGULATIONS

19 TAC §§89.1035, 89.1070, 89.1080

STATUTORY AUTHORITY. The amendments are adopted under Texas Education Code (TEC), §28.025, which establishes requirements related to high school graduation and academic achievement records; TEC, §29.001, as amended by House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025, which establishes criteria for the implementation of special education law, including rulemaking as part of the comprehensive system focused on maximizing student outcomes; TEC, §29.003, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which requires the Texas Education Agency (TEA) to develop eligibility criteria for students receiving special education services; TEC, §29.013, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes noneducational community-based support services grants for certain students with disabilities and requires the commissioner to adopt rules regarding the grants awarded under this section; TEC, §29.026, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which grants the commissioner rulemaking authority to implement TEC, Chapter 29, Educational Programs, Subchapter A, Special Education Program; TEC, §30.002, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which requires TEA to develop and administer a statewide plan for the education of children with visual impairments, children who are deaf or hard of hearing, and children who are deaf-blind; TEC, §30.0021, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes requirements for students with visual impairments; TEC, §30.081, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes the legislative intent concerning regional day schools for the deaf; TEC, §30.085, which establishes the use of local resources in the establishment and operation of the regional day school programs for the deaf; TEC, §30.086, which establishes powers and duties of TEA regarding regional day schools for the deaf; TEC, §48.1021, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes special education service group funding; TEC, §48.315, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes funding for regional day school programs for the deaf; Texas Government Code, §392.002, which establishes the use of person first respectful language required by the legislature and the Texas Legislative Council; 34 CFR, §300.8, which defines terms regarding a child with a disability; 34 CFR, §300.100, which establishes eligibility criteria for a state to receive assistance; 34 CFR, §300.101, which defines the requirement for all children residing in the state between the ages of 3-21 to have free appropriate public education available; 34 CFR, §300.102, which establishes criteria for limitation-exception to free appropriate public education for certain ages; 34 CFR, §300.111, which defines the requirement of the state to have policies and procedures in place regarding child find; 34 CFR, §300.149, which establishes the state education agency's responsibility for general supervision; and 34 CFR, §300.600, which establishes requirements for state monitoring and enforcement.

CROSS REFERENCE TO STATUTE. The amendments implement Texas Education Code (TEC), §28.025; §§29.001, 29.003, and 29.013, as amended by House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025; §29.026, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.002, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.0021, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.081, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.085; §30.086; and §48.1021 and §48.315, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; Texas Government Code, §392.002; and 34 Code of Federal Regulations (CFR), §§300.8, 300.100, 300.101, 300.102, 300.111, 300.149, and 300.600.

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

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

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

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DIVISION 4. SPECIAL EDUCATION FUNDING

19 TAC §89.1127

STATUTORY AUTHORITY. The new rule is adopted under Texas Education Code (TEC), §28.025, which establishes requirements related to high school graduation and academic achievement records; TEC, §29.001, as amended by House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025, which establishes criteria for the implementation of special education law, including rulemaking as part of the comprehensive system focused on maximizing student outcomes; TEC, §29.003, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which requires the Texas Education Agency (TEA) to develop eligibility criteria for students receiving special education services; TEC, §29.013, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes noneducational community-based support services grants for certain students with disabilities and requires the commissioner to adopt rules regarding the grants awarded under this section; TEC, §29.026, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which grants the commissioner rulemaking authority to implement TEC, Chapter 29, Educational Programs, Subchapter A, Special Education Program; TEC, §30.002, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which requires TEA to develop and administer a statewide plan for the education of children with visual impairments, children who are deaf or hard of hearing, and children who are deafblind; TEC, §30.0021, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes requirements for students with visual impairments; TEC, §30.081, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes the legislative intent concerning regional day schools for the deaf; TEC, §30.085, which establishes the use of local resources in the establishment and operation of the regional day school programs for the deaf; TEC, §30.086, which establishes powers and duties of TEA regarding regional day schools for the deaf; TEC, §48.1021, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes special education service group funding; TEC, §48.315, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, which establishes funding for regional day school programs for the deaf; Texas Government Code, §392.002, which establishes the use of person first respectful language required by the legislature and the Texas Legislative Council; 34 CFR, §300.8, which defines terms regarding a child with a disability; 34 CFR, §300.100, which establishes eligibility criteria for a state to receive assistance; 34 CFR, §300.101, which defines the requirement for all children residing in the state between the ages of 3-21 to have free appropriate public education available; 34 CFR, §300.102, which establishes criteria for limitation-exception to free appropriate public education for certain ages; 34 CFR, §300.111, which defines the requirement of the state to have policies and procedures in place regarding child find; 34 CFR, §300.149, which establishes the state education agency's responsibility for general supervision; and 34 CFR, §300.600, which establishes requirements for state monitoring and enforcement.

CROSS REFERENCE TO STATUTE. The new rule implements Texas Education Code (TEC), §28.025; §§29.001, 29.003, and 29.013, as amended by House Bill (HB) 2 and Senate Bill (SB) 568, 89th Texas Legislature, Regular Session, 2025; §29.026, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.002, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.0021, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.081, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; §30.085; §30.086; and §48.1021 and §48.315, as added by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025; Texas Government Code, §392.002; and 34 Code of Federal Regulations (CFR), §§300.8, 300.100, 300.101, 300.102, 300.111, 300.149, and 300.600.

§89.1127. Noneducational Community-Based Support Services Grant Program.

(a) Definitions. The following definitions shall apply.

(1) "At risk of being placed in a residential program" means either the student's school district has given the student's parent a prior notice in writing proposing to initiate or change the placement of the student from a day placement program to a residential program or the student's admission, review, and dismissal committee has discussed this more restrictive placement as a possibility if the student's current placement in a day placement program is determined to not provide the student a free appropriate public education. This would be confirmed with the school system prior to approving a grant for this reason. If the school district does not provide confirmation, the grant administrator must notify the parent and offer the parent an opportunity to provide information that serves as confirmation.

(2) "Day placement program" means a day placement program approved under Texas Education Code, §29.008, which could include a student who is receiving special education and related services in or on a nonpublic facility or on a district campus or facility in a special education setting more than 50% of the instructional day.

(3) "Parent" means a person who meets the definition of parent in 34 Code of Federal Regulations, §300.30.

(4) "School district" includes open-enrollment charter schools.

(b) The Texas Education Agency shall designate a regional education service center (ESC) to administer grants under this program.

(c) Each school district must:

(1) inform the parent of an eligible student of the availability of grants under this program; and

(2) designate a staff member to assist families in accessing grants under this program.

(d) The designated ESC shall develop or establish the following:

(1) an accessible application for a parent to apply for a grant;

(2) procedures to verify with the agency and the school district, when necessary, the student's eligibility for a grant;

(3) procedures related to establishing an account for a parent to access the grant funds once a student is determined eligible;

(4) a list of approved services and service providers;

(5) procedures for a parent or service provider to request placement on the list of approved services and service providers;

(6) procedures to pay service providers for approved services; and

(7) procedures for a parent to request an increase in their grant amount.

(e) A parent of an eligible student must complete the application process and the procedures developed by the designated ESC to access the grants under this program.

(f) Initial grant amounts under this program shall be $5,000, subject to available funding.

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

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

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CHAPTER 129. STUDENT ATTENDANCE
SUBCHAPTER AA. COMMISSIONER'S RULES

19 TAC §129.1031

The Texas Education Agency (TEA) adopts an amendment to §129.1031, concerning student attendance. The amendment is adopted without changes to the proposed text as published in the November 14, 2025 issue of the *Texas Register* (50 TexReg 7401) and will not be republished. The adopted amendment clarifies student eligibility and attendance reporting for off-campus programs and expands the list of entities that may provide those programs.

REASONED JUSTIFICATION: Section 129.1031 explains student and funding eligibility for off-campus programs.

The amendment to §129.1031(a) updates the statutory authority from Texas Education Code (TEC), §42.0052 to §48.005(g-1) and §48.007.

New subsection (b) expands the types of entities that can provide off-campus instructional programs eligible for course credit. In addition to existing provisions, it includes career and technical education providers, student internships, project-based research opportunities, work-based learning opportunities, private schools accredited by recognized accrediting entities, community-based child-care providers meeting criteria under TEC, §29.153, and other off-campus instructional entities approved by the school district.

New subsection (c) adds eligibility criteria required for a student to participate in an off-campus program.

New subsection (c)(1) adds eligibility criteria needed for students participating in an off-campus programs provided by institutions of higher education.

New subsection (c)(1)(A) states that eligible students must have parental approval for the specific program unless they are 18 or older.

New subsection (c)(2) adds criteria that students participating in an off-campus program not provided by an institution of higher education must meet.

New subsection (c)(2)(A) adds that students need to have parental approval for the specific program unless they are 18 or older.

New subsection (c)(2)(B) adds that students must meet the eligibility requirements adopted by a school district or an open-enrollment charter school for participation in off-campus programs.

The amendment to subsection (d)(1) clarifies language to include students participating part time in an off-campus program.

New subsection (d)(2) was added to explain that, for students enrolled full time in an off-campus program, the school district or charter school will set a specific time to take attendance in coordination with the program. The district or charter will also have the flexibility to choose a different attendance time for certain student groups separate from the district's usual schedule.

The amendment to subsection (d)(3) specifies that alternate attendance-taking times may not be changed once they are selected unless permitted by TEA.

The amendment to subsection (e) removes the term "college" and replaces it with broader language concerning any entity providing an off-campus program.

New subsection (e)(1) was added to state that the school district or charter school is responsible for ensuring that any approved off-campus program complies with all applicable requirements set by the TEC or other relevant authorities.

New subsection (e)(1)(A) was added to include student enrollment requirements.

New subsection (e)(1)(B) was added to include assessments required by provisions of TEC, Chapter 39.

New subsection (e)(2) was added to specify requirements for attendance and assessment and accountability purposes.

New subsection (e)(2)(A) was added to require a student participating part time in an off-campus program to remain enrolled in their district or charter school campus.

New subsection (e)(2)(B) was added to require a student participating full time in an off-campus program to be enrolled in a campus with a county district campus number (CDCN) establish by the school district or charter school to fulfill serving full-time students under this section. A CDCN may be granted for one or more off-campus providers. An application for a new CDCN for a full-time off-campus program must meet all requirements for new CDCNs.

New subsection (e)(2)(B)(i) was added to indicate that, if performance of the full-time program results in the revocation of the CDCN for discretionary or mandatory reasons under TEC, Chapter 39A, and other statutes, a school district or charter school

is not eligible for funding under this section under the revoked CDCN until TEA reauthorizes the school district or charter school to receive a CDCN for that off-campus provider to serve full-time students.

New subsection (e)(2)(B)(ii) was added to indicate that charter schools must also meet expansion criteria and receive approval for an additional campus prior to requesting a new CDCN for a full-time off-campus program.

New subsection (e)(2)(C) was added to authorize a full-time off-campus program to operate without a separate CDCN if the number of students enrolled in a full-time off-campus program will not meet the threshold to generate an accountability rating for the campus. A district or charter school operating a full-time off-campus program must enroll these students in an existing campus.

New subsection (e)(3) was added to address revocation of eligibility of district or charter school to receive funding if the commissioner determines the performance or health and safety of students participating in the program is no longer satisfactory.

SUMMARY OF COMMENTS AND AGENCY RESPONSES: The public comment period on the proposal began November 14, 2025, and ended December 15, 2025. Following is a summary of public comments received and agency responses.

Comment: An individual stated a student present at an approved off-campus program should be counted present and not have any attendance penalties.

Response: The agency agrees. The rule states that a student present at an approved off-campus program is to be counted present as prescribed by the rule and the Student Attendance Accounting Handbook (SAAH) adopted by reference under 19 TAC §129.1025.

Comment: Graduation Alliance proposed language to recognize the Optional Flexible School Day Program (OFSDP) within §129.1031(b)(8).

Response: The agency disagrees as OFSDP is a separate program.

Comment: Graduation Alliance suggested language to align with definitions and procedures currently outlined in the SAAH in §3.6.2.2 and §11.10.2.

Response: The agency disagrees with making the suggested change. The SAAH will be revised for the 2026-2027 school year to align with this rule.

Comment: The Graduation Alliance suggested clarification in subsection (e)(2) for enrollment and accountability structures for OFSDP Online Dropout Recovery Programs.

Response: The agency disagrees as OFSDP is a separate program and not an off-campus program.

STATUTORY AUTHORITY. The amendment is adopted under Texas Education Code (TEC), §48.005(g-1), which requires the commissioner to adopt rules to calculate average daily attendance for students in a blended learning programs where instruction is supplemented with learning opportunities, including internships, externships, and apprenticeships; and TEC, §48.007, which requires the commissioner to adopt verification and reporting procedures concerning time spent by students participating in instructional programs provided off campus by an entity other than a school district or an open-enrollment charter school.

CROSS REFERENCE TO STATUTE. The amendment implements Texas Education Code, §48.005(g-1) and §48.007.

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

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Cristina De La Fuente-Valadez
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Texas Education Agency
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TITLE 22. EXAMINING BOARDS

PART 1. TEXAS BOARD OF ARCHITECTURAL EXAMINERS

CHAPTER 1. ARCHITECTS

The Texas Board of Architectural Examiners (Board) adopts amendments to 22 Texas Administrative Code (TAC), Chapter 1 relating to Architects, §1.27, relating to Provisional Licensure, and §1.149, relating to Criminal Convictions. The amendments are adopted without changes to the proposed text published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 269). The rules will not be republished.

Reasoned Justification. The adopted rules implement Senate Bill 1080 (89th Regular Session, 2025), which amends provisions in Chapter 53, Texas Occupations Code, relating to licensing and Consequences of Criminal Conviction. To implement SB 1080, the Board adopted amendments to 22 TAC §1.27 and §1.149.

Through Senate Bill 1080, the legislature provides licensing authorities discretion to revoke a license following imprisonment for a felony conviction, unless the felony offense is directly related to the duties and responsibilities of the licensed occupation, the felony offense is a sexually violent offense under Article 62.001, Code of Criminal Procedure, or the felony offense is an offense listed in Article 42A.054, Code of Criminal Procedure, pursuant to §53.021, Texas Occupations Code. These statutory amendments are adopted in 22 TAC §1.149(a) - (b).

Additionally, SB 1080 added §53.0211(b-1), Texas Occupations Code, which allows licensing authorities discretion to consider the issuance of a provisional license to an applicant who has committed an offense and is an imprisoned inmate of the Texas Department of Criminal Justice (TDCJ) or is an applicant on parole or mandatory supervision who is residing at a halfway house or community residential facility. The applicant must be a student or graduate of the Windham School District or an institution of higher education. A provisional license issued under §53.0211(b-1), Texas Occupations Code is valid for twelve (12) months, and the term begins on the date an applicant who is an inmate is released, pursuant to amendments to §53.0211(b)(2) and §53.0211(c), Texas Occupations Code. These statutory amendments are adopted in 22 TAC §1.27(b), (d).

Summary of Comments. The Board did not receive any comments on the proposed rule.

SUBCHAPTER B. ELIGIBILITY FOR REGISTRATION

22 TAC §1.27

Statutory Authority. The amendments to §1.27 are adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of architecture; §1051.207, Texas Occupations Code, which authorizes the Board to adopt rules as necessary to comply with Chapter 53, Texas Occupations Code; and Chapter 53, Texas Occupations Code, which provides licensing authorities authority grant licenses and provisional licenses to certain applicants with prior criminal convictions.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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Proposal publication date: January 16, 2026
For further information, please call: (512) 305-9040

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SUBCHAPTER H. PROFESSIONAL CONDUCT

22 TAC §1.149

Statutory Authority. The amendments to §1.149 are adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of architecture; §1051.207, Texas Occupations Code, which authorizes the Board to adopt rules as necessary to comply with Chapter 53, Texas Occupations Code; and Chapter 53, Texas Occupations Code, which provides licensing authorities authority grant licenses and provisional licenses to certain applicants with prior criminal convictions.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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SUBCHAPTER B. ELIGIBILITY FOR REGISTRATION

22 TAC §1.29

The Texas Board of Architectural Examiners (Board) adopts amendments to 22 Texas Administrative Code (TAC) §1.29. The amendments are adopted with changes to the proposed text published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 272) and will be republished.

Reasoned Justification. The adopted rules implement Senate Bill 1818 and House Bill 5629 (89th Regular Session, 2025), which amend provisions in Chapter 55, Texas Occupations Code, relating to Licensing of Military Service Members, Military Veterans, and Military Spouses. To implement Senate Bill 1818 and House Bill 5629, the Board adopted amendments to 22 TAC §1.29. The adopted amendments also include non-substantive grammatical changes and paragraph renumbering.

SB 1818 mandates the prompt issuance of a provisional registration to an applicant under §55.004 or §55.0041, Texas Occupations Code if the agency is unable to promptly issue a license or recognition of an out-of-state license, respectively. A provisional license expires the earlier of the date the license is issued or recognition is granted, or the 180th day after the date the provisional registration is issued. These requirements are adopted in 22 TAC §1.29(b).

Under HB 5629, amendments to §55.004, Texas Occupations Code, mandate licensing agencies issue a license to a military service member, military veteran, or military spouse who holds a license in good standing in another state with a similar scope of practice to Texas. Amendments to §55.0041, Texas Occupations Code, allow a military service member, military veteran, or military spouse to practice in Texas under an out-of-state license without having to become registered in Texas, and provides procedures for recognizing the out-of-state license. These requirements are adopted in 22 TAC §1.29(c).

Additionally, HB 5629 adds §55.0042, Texas Occupations Code, which specifies how "good standing" is determined, which is adopted in 22 TAC §1.29(a)(3), and the bill also added §55.0043, Texas Occupations Code, which requires that agencies track and publish complaints made against a military service member, military veteran, or military spouse. The law also modifies §55.005(a), Texas Occupations Code, which requires agencies to process applications and issue registrations for qualified applicants within 10 business days instead of 30, which is adopted in 22 TAC §1.29(b)(3) and §1.29(c)(4). Finally, HB 5629 modifies §55.009, Texas Occupations Code to waive application fees for any individual who is a military service member, military veteran, or military spouse which is adopted in 22 TAC §1.29(f).

Summary of Comments. The Board did not receive any comments on the proposed rule.

Statutory Authority. The amendment of §1.29 is adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of architecture; §1051.704, Texas Occupations Code, which requires the Board to examine each applicant for registration on any architectural subject or procedure the Board requires and to issue a certificate of registration to each applicant who passes the examination; and §§55.004, 55.0041, 55.0042, 55.0043, 55.005, and 55.009, Texas Occupations Code, which relate to the Licensing of Military Service Members, Military Veterans, and Military Spouses.

§1.29. Registration of a Military Service Member, Military Veteran, or Military Spouse.

(a) For the purposes of this section, terms shall have the following definitions:

(1) "Active duty" means current full-time military service in the armed forces of the United States or active duty military service as a member of the Texas military forces, as defined by Section 437.001, Government Code, or similar military service of another state.

(2) "Armed forces of the United States" means the army, navy, air force, coast guard, or marine corps of the United States or a reserve unit of one of those branches of the armed forces.

(3) "Good Standing" means an Applicant:

(A) holds a license that is current, has not been suspended or revoked, and has not been voluntarily surrendered during an investigation for unprofessional conduct;

(B) has not been disciplined by the licensing authority with respect to the license or person's practice of architecture; and

(C) is not currently under investigation by the licensing authority for unprofessional conduct related to the person's license or profession.

(4) "License" means a license or registration to practice architecture.

(5) "Military service member" means a person who is on active duty.

(6) "Military spouse" means a person who is married to a military service member.

(7) "Military veteran" means a person who has served on active duty and who was discharged or released from active duty.

(b) Expedited Licensure Procedure for a Military Service Member, Military Veteran, or Military Spouse.

(1) A military service member, military veteran, or military spouse may apply for a registration in accordance with:

(A) §1.21 of this chapter (relating to Registration by Examination);

(B) §1.22 of this chapter (relating to Registration by Reciprocal Transfer); or

(C) §55.004, Texas Occupations Code.

(2) A military service member, military veteran, or military spouse is eligible for registration under §55.004, Texas Occupations Code if:

(A) the Applicant holds a current license issued by another state that is similar in scope of practice to a Texas architectural registration and is in Good Standing with that state's licensing authority; or

(B) the Applicant held a Texas architectural registration within the five years preceding the application date under this subsection.

(3) Not later than the 10th business day after the date a military service member, military veteran, or military spouse files an application for registration under §1.21 or §1.22 of this chapter, the Board shall process the application and issue a registration to a qualifying Applicant.

(4) On receipt of an application for registration in accordance with §55.004, Texas Occupations Code, the Board shall promptly issue a provisional registration to the Applicant while the Board processes the application or issue the registration. A provisional registration issued under this subsection expires on the earlier of:

(A) the date the Board approves or denies the application for registration; or

(B) the 180th day after the date the provisional registration is issued.

(c) Recognition of Out-of-State License of Military Service Members and Military Spouses.

(1) As applicable, a military service member or military spouse who holds a current license issued by another state that is similar in scope of practice to a Texas architectural registration and who is in Good Standing with that state's licensing authority may submit an application to the Board to request recognition of the out-of-state license in accordance with the provisions of §55.0041, Texas Occupations Code, if:

(A) the military service member has been ordered to relocate to Texas, or

(B) the military spouse is married to a military service member who has been ordered to relocate to Texas.

(2) An Applicant whose out-of-state license is recognized under this subsection may engage in the Practice of Architecture in this state without obtaining a registration.

(3) Prior to engaging in the Practice of Architecture under this subsection, the Applicant must submit the following information to the Board to demonstrate eligibility for recognition of an out-of-state license:

(A) a copy of the member's military orders showing relocation to this state;

(B) if the Applicant is a military spouse, a copy of the military spouse's marriage license; and

(C) a notarized affidavit affirming under penalty of perjury that:

(i) the Applicant is the person described and identified in the application;

(ii) all statements in the application are true, correct, and complete;

(iii) the Applicant understands the scope of practice for an architect in this state and will not perform outside of that scope of practice; and

(iv) the Applicant is in Good Standing in each state in which the Applicant holds or has held a license.

(4) Not later than 10 business days after a military service member or military spouse files an application for registration under this subsection, the Board shall:

(A) Notify the Applicant of the Board's determination that:

(i) the Board recognizes the Applicant's out-of-state license;

(ii) the application is incomplete; or

(iii) the Board is unable to recognize the Applicant's out-of-state license because the Board does not issue a registration similar in scope of practice to the Applicant's license; or

(B) Issue a provisional registration to the Applicant pending the issuance of a determination under subparagraph (4)(A) of this paragraph.

(5) A provisional registration issued under this subsection expires on the earlier of:

(A) the date the Board issues a determination under paragraph (4)(A) of this subsection; or

(B) the 180th day after the date the provisional registration is issued.

(6) An Applicant under this subsection shall comply with all other laws and regulations applicable to the Practice of Architecture in this state.

(7) A military service member or military spouse may engage in the Practice of Architecture under the authority of this subsection only for the period during which the military service member or, with respect to a military spouse, the military service member to whom the spouse is married is stationed at a military installation in this state.

(8) In the event of a divorce or similar event that affects a person's status as a military spouse, the former spouse may continue to engage in the Practice of Architecture under the authority of this subsection until the third anniversary of the date the spouse submitted the application required under paragraph (3) of this subsection.

(d) The Board will review and evaluate the following criteria when determining whether another state's scope of practice of a licensed architect is similar to the scope of practice of an Architect in Texas:

(1) Whether the statutory definition of the practice of architecture includes the core functions recognized in Texas;

(2) Whether architects are responsible for public health, safety, and welfare in a manner comparable to Texas;

(3) Whether the other state restricts architectural services to licensed architects in a manner consistent with Texas practice;

(4) The similarity of exemptions from licensure, including building-type or size exemptions, and whether such exemptions materially alter the scope of services architects perform;

(5) Whether architects in the other state are authorized or required to perform construction observation services similar to those required in Texas;

(6) The similarity of requirements for responsible charge or responsible control, including duties related to supervision, document preparation, and sealing construction documents for regulatory approval, permitting, or construction;

(7) Whether architects have comparable responsibilities for building code compliance, accessibility, life-safety considerations, and related regulatory obligations;

(8) The extent to which the division of responsibilities between architects and other licensed professions, such as engineers, aligns with Texas practice;

(9) Whether requirements for architectural involvement in public-sector projects align with Texas standards;

(10) Whether rules, interpretations, or guidance issued by the other state's architectural licensing board result in a functional scope of practice comparable to Texas; and

(11) The similarity of enforcement mechanisms, disciplinary authority, and standards of professional responsibility that define and limit the scope of practice.

(e) Verified military service, training, or education will be credited toward the registration requirements, other than an examination requirement, of an Applicant who is a military service member or a military veteran.

(f) The Board shall not charge an application or examination fee paid to the Board for any Applicant who is a military service member, military veteran, or military spouse.

(g) A military service member is exempt from any increased fee or other penalty for failing to renew a registration in a timely manner if the individual establishes to the satisfaction of the Board that the failure was due to the individual serving as a military service member.

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

Filed with the Office of the Secretary of State on March 9, 2026.

TRD-202601134
Pim Mayo
General Counsel
Texas Board of Architectural Examiners
Effective date: March 29, 2026
Proposal publication date: January 16, 2026
For further information, please call: (512) 305-9040

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CHAPTER 3. LANDSCAPE ARCHITECTS

The Texas Board of Architectural Examiners (Board) adopts amendments to 22 Texas Administrative Code (TAC), Chapter 3 relating to Landscape Architects, §3.27, relating to Provisional Licensure, and §3.149, relating to Criminal Convictions. The amendments are adopted without changes to the proposed text published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 276) and will not be republished.

Reasoned Justification. The adopted rules implement Senate Bill 1080 (89th Regular Session, 2025), which amends provisions in Chapter 53, Texas Occupations Code, relating to licensing and Consequences of Criminal Conviction. To implement SB 1080, the Board adopted amendments to 22 TAC §3.27 and §3.149.

Through Senate Bill 1080, the legislature provides licensing authorities discretion to revoke a license following imprisonment for a felony conviction, unless the felony offense is directly related to the duties and responsibilities of the licensed occupation, the felony offense is a sexually violent offense under Article 62.001, Code of Criminal Procedure, or the felony offense is an offense listed in Article 42A.054, Code of Criminal Procedure, pursuant to §53.021, Texas Occupations Code. These statutory amendments are adopted in 22 TAC §3.149(a)-(b).

Additionally, SB 1080 added §53.0211(b-1), Texas Occupations Code, which allows licensing authorities discretion to consider the issuance of a provisional license to an applicant who has committed an offense and is an imprisoned inmate of the Texas Department of Criminal Justice (TDCJ) or is an applicant on parole or mandatory supervision who is residing at a halfway house or community residential facility. The applicant must be a student or graduate of the Windham School District or an institution of higher education. A provisional license issued under §53.0211(b-1), Texas Occupations Code is valid for twelve (12) months, and the term begins on the date an applicant who is an inmate is released, pursuant to amendments to §53.0211(b)(2)

and §53.0211(c), Texas Occupations Code. These statutory amendments are adopted in 22 TAC §3.27(b), (d).

Summary of Comments. The Board did not receive any comments on the proposed rule.

SUBCHAPTER B. ELIGIBILITY FOR REGISTRATION

22 TAC §3.27

Statutory Authority. The amendments to §3.27 are adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of landscape architecture; §1051.207, Texas Occupations Code, which authorizes the Board to adopt rules as necessary to comply with Chapter 53, Texas Occupations Code; and Chapter 53, Texas Occupations Code, which provides licensing authorities authority grant licenses and provisional licenses to certain applicants with prior criminal convictions.

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

Filed with the Office of the Secretary of State on March 9, 2026.

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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For further information, please call: (512) 305-9040

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SUBCHAPTER H. PROFESSIONAL CONDUCT

22 TAC §3.149

Statutory Authority. The amendments to §3.149 are adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of landscape architecture; §1051.207, Texas Occupations Code, which authorizes the Board to adopt rules as necessary to comply with Chapter 53, Texas Occupations Code; and Chapter 53, Texas Occupations Code, which provides licensing authorities authority grant licenses and provisional licenses to certain applicants with prior criminal convictions.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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For further information, please call: (512) 305-9040

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SUBCHAPTER B. ELIGIBILITY FOR REGISTRATION

22 TAC §3.29

The Texas Board of Architectural Examiners (Board) adopts amendments to 22 Texas Administrative Code (TAC) §3.29. The amendments are adopted without changes to the proposed text published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 279) and will not be republished.

Reasoned Justification. The adopted rules implement Senate Bill 1818 and House Bill 5629 (89th Regular Session, 2025), which amend provisions in Chapter 55, Texas Occupations Code, relating to Licensing of Military Service Members, Military Veterans, and Military Spouses. To implement Senate Bill 1818 and House Bill 5629, the Board adopted amendments to 22 TAC §3.29.

SB 1818 mandates the prompt issuance of a provisional registration to an applicant under §55.004 or §55.0041, Texas Occupations Code if the agency is unable to promptly issue a license or recognition of an out-of-state license, respectively. A provisional license expires the earlier of the date the license is issued or recognition is granted, or the 180th day after the date the provisional registration is issued. These requirements are adopted in 22 TAC §3.29(b).

Under HB 5629, amendments to §55.004, Texas Occupations Code, mandate licensing agencies issue a license to a military service member, military veteran, or military spouse who holds a license in good standing in another state with a similar scope of practice to Texas. Amendments to §55.0041, Texas Occupations Code, allow a military service member, military veteran, or military spouse to practice in Texas under an out-of-state license without having to become registered in Texas, and provides procedures for recognizing the out-of-state license. These requirements are adopted in 22 TAC §3.29(c).

Additionally, HB 5629 adds §55.0042, Texas Occupations Code, which specifies how "good standing" is determined, which is adopted in 22 TAC §3.29(a)(3), and the bill also added §55.0043, Texas Occupations Code, which requires that agencies track and publish complaints made against a military service member, military veteran, or military spouse. The law also modifies §55.005(a), Texas Occupations Code, which requires agencies to process applications and issue registrations for qualified applicants within 10 business days instead of 30, which is adopted in 22 TAC §3.29(b)(3) and §3.29(c)(4). Finally, HB 5629 modifies §55.009, Texas Occupations Code to waive application fees for any individual who is a military service member, military veteran, or military spouse which is adopted in 22 TAC §3.29(f).

Summary of Comments. The Board did not receive any comments on the proposed rule.

Statutory Authority. The amendment of §3.29 is adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of landscape architecture; and §§55.004, 55.0041, 55.0042, 55.0043, 55.005, and 55.009, Texas Occupations Code, which relate to the Licensing of Military Service Members, Military Veterans, and Military Spouses.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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For further information, please call: (512) 305-9040

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CHAPTER 5. REGISTERED INTERIOR DESIGNERS

The Texas Board of Architectural Examiners (Board) adopts amendments to 22 Texas Administrative Code (TAC), Chapter 5 relating to Registered Interior Designers, §5.37, relating to Provisional Licensure, and §5.158, relating to Criminal Convictions. The amendments are adopted without changes to the proposed text published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 282) and will not be republished.

Reasoned Justification. The adopted rules implement Senate Bill 1080 (89th Regular Session, 2025), which amends provisions in Chapter 53, Texas Occupations Code, relating to licensing and Consequences of Criminal Conviction. To implement SB 1080, the Board adopted amendments to 22 TAC §5.37 and §5.158.

Through Senate Bill 1080, the legislature provides licensing authorities discretion to revoke a license following imprisonment for a felony conviction, unless the felony offense is directly related to the duties and responsibilities of the licensed occupation, the felony offense is a sexually violent offense under Article 62.001, Code of Criminal Procedure, or the felony offense is an offense listed in Article 42A.054, Code of Criminal Procedure, pursuant to §53.021, Texas Occupations Code. These statutory amendments are adopted in 22 TAC §5.158(a)-(b).

Additionally, SB 1080 added §53.0211(b-1), Texas Occupations Code, which allows licensing authorities discretion to consider the issuance of a provisional license to an applicant who has committed an offense and is an imprisoned inmate of the Texas Department of Criminal Justice (TDCJ) or is an applicant on parole or mandatory supervision who is residing at a halfway house or community residential facility. The applicant must be a student or graduate of the Windham School District or an institution of higher education. A provisional license issued under §53.0211(b-1), Texas Occupations Code is valid for twelve (12) months, and the term begins on the date an applicant who is an inmate is released, pursuant to amendments to §53.0211(b)(2) and §53.0211(c), Texas Occupations Code. These statutory amendments are adopted in 22 TAC §5.37(b), (d).

Summary of Comments. The Board did not receive any comments on the proposed rule.

SUBCHAPTER B. ELIGIBILITY FOR REGISTRATION

22 TAC §5.37

Statutory Authority. The amendments to §5.37 and §5.158 are adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of registered interior design; §1051.207, Texas Occupations Code, which authorizes the Board to adopt rules as necessary to comply with Chapter 53, Texas Occupations Code; and Chapter 53, Texas Occupations Code, which provides licensing authorities authority grant licenses and provisional licenses to certain applicants with prior criminal convictions.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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For further information, please call: (512) 305-9040

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SUBCHAPTER H. PROFESSIONAL CONDUCT

22 TAC §5.158

Statutory Authority. The amendments to §5.37 and §5.158 are adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of registered interior design; §1051.207, Texas Occupations Code, which authorizes the Board to adopt rules as necessary to comply with Chapter 53, Texas Occupations Code; and Chapter 53, Texas Occupations Code, which provides licensing authorities authority grant licenses and provisional licenses to certain applicants with prior criminal convictions.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
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Proposal publication date: January 16, 2026
For further information, please call: (512) 305-9040

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SUBCHAPTER B. ELIGIBILITY FOR REGISTRATION

22 TAC §5.39

The Texas Board of Architectural Examiners (Board) adopts amendments to 22 Texas Administrative Code (TAC) §5.39. The amendments are adopted without changes to the proposed text published in the January 16, 2026, issue of the *Texas Register* (51 TexReg 285) and will not be republished.

Reasoned Justification. The adopted rules implement Senate Bill 1818 and House Bill 5629 (89th Regular Session, 2025), which amend provisions in Chapter 55, Texas Occupations Code, relating to Licensing of Military Service Members, Military

Veterans, and Military Spouses. To implement Senate Bill 1818 and House Bill 5629, the Board adopted amendments to 22 TAC §5.39.

SB 1818 mandates the prompt issuance of a provisional registration to an applicant under §55.004 or §55.0041, Texas Occupations Code if the agency is unable to promptly issue a license or recognition of an out-of-state license, respectively. A provisional license expires the earlier of the date the license is issued or recognition is granted, or the 180th day after the date the provisional registration is issued. These requirements are adopted in 22 TAC §5.39(b).

Under HB 5629, amendments to §55.004, Texas Occupations Code, mandate licensing agencies issue a license to a military service member, military veteran, or military spouse who holds a license in good standing in another state with a similar scope of practice to Texas. Amendments to §55.0041, Texas Occupations Code, allow a military service member, military veteran, or military spouse to practice in Texas under an out-of-state license without having to become registered in Texas, and provides procedures for recognizing the out-of-state license. These requirements are adopted in 22 TAC §5.39(c).

Additionally, HB 5629 adds §55.0042, Texas Occupations Code, which specifies how "good standing" is determined, which is adopted in 22 TAC §5.39(a)(3), and the bill also added §55.0043, Texas Occupations Code, which requires that agencies track and publish complaints made against a military service member, military veteran, or military spouse. The law also modifies §55.005(a), Texas Occupations Code, which requires agencies to process applications and issue registrations for qualified applicants within 10 business days instead of 30, which is adopted in 22 TAC §5.39(b)(3) and §5.39(c)(4). Finally, HB 5629 modifies §55.009, Texas Occupations Code to waive application fees for any individual who is a military service member, military veteran, or military spouse which is adopted in 22 TAC §5.39(f).

Summary of Comments. The Board did not receive any comments on the proposed rule.

Statutory Authority. The amendment of §5.39 is adopted under §1051.202, Texas Occupations Code, which authorizes the Board to adopt reasonable rules as necessary to regulate the practice of registered interior design; and §§55.004, 55.0041, 55.0042, 55.0043, 55.005, and 55.009, Texas Occupations Code, which relate to the Licensing of Military Service Members, Military Veterans, and Military Spouses.

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

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Pim Mayo
General Counsel
Texas Board of Architectural Examiners
Effective date: March 29, 2026
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For further information, please call: (512) 305-9040

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PART 22. TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

CHAPTER 501. RULES OF PROFESSIONAL CONDUCT

SUBCHAPTER A. GENERAL PROVISIONS

22 TAC §501.51

The Texas State Board of Public Accountancy adopts an amendment to §501.51 concerning Preamble and General Principle, without changes to the proposed text as published in the February 6, 2026 issue of the *Texas Register* (51 TexReg 682) and will not be republished.

The AICPA establishes best practices standards for attest services. The proposed rule revision makes it clear that a licensee is required to follow the AICPA's published standards.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

Filed with the Office of the Secretary of State on March 12, 2026.

TRD-202601175
J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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SUBCHAPTER C. RESPONSIBILITIES TO CLIENTS

22 TAC §501.75

The Texas State Board of Public Accountancy adopts an amendment to §501.75 concerning Confidential Client Communications, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 683) and will not be republished.

The Public Accountancy Act requires licensees to maintain the confidentiality of client information without the client's permission. For clarity the Board is requiring the licensee to only share confidential information with a third party with the client's written permission and the proposed revision identifies examples of who the licensee's authorized representative may be.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

Filed with the Office of the Secretary of State on March 12, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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CHAPTER 505. THE BOARD

22 TAC §505.10

The Texas State Board of Public Accountancy adopts an amendment to §505.10 concerning Board Committees, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 685) and will not be republished.

The Public Accountancy Act requires licensees to maintain the confidentiality of client information without the client's permission. For clarity the Board is requiring the licensee to only share confidential information with a third party with the client's written permission and the proposed revision identifies examples of who the licensee's authorized representative may be.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

Filed with the Office of the Secretary of State on March 12, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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CHAPTER 518. UNAUTHORIZED PRACTICE OF PUBLIC ACCOUNTANCY

22 TAC §518.2

The Texas State Board of Public Accountancy adopts an amendment to §518.2 concerning Agreed Consent Orders, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 688) and will not be republished.

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

Filed with the Office of the Secretary of State on March 12, 2026.

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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22 TAC §518.3

The Texas State Board of Public Accountancy adopts an amendment to §518.3 concerning Agreed Consent Order Violations, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 689) and will not be republished.

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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22 TAC §518.4

The Texas State Board of Public Accountancy adopts an amendment to §518.4 concerning Injunctive Relief and Penalties, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 690) and will not be republished.

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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22 TAC §518.5

The Texas State Board of Public Accountancy adopts an amendment to §518.5 concerning Unlicensed Entities, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 691) and will not be republished.

The unlicensed practice of public accountancy includes the use of restricted terms such as accountant or accountancy and is not permitted.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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22 TAC §518.6

The Texas State Board of Public Accountancy adopts an amendment to §518.6 concerning Administrative Penalty Guidelines for the Unauthorized Practice of Public Accountancy, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 692) and will not be republished.

No person shall offer accounting services in Texas or hold themselves out to be a CPA or an accountant or to suggest they have an expertise in accounting unless they are licensed by the Board as a CPA. To prevent the unlicensed practice of public accountancy the Board no longer issues Cease and Desist Orders. Instead, the board will take a non-licensee ignoring the Board's efforts to obtain compliance with state law to state district court to seek an injunction. This is an expedited method to achieve compliance with state law and eliminates the unnecessary step of the Cease and Desist Order.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
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For further information, please call: (512) 305-7842

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CHAPTER 520. PROVISIONS FOR THE ACCOUNTING STUDENTS SCHOLARSHIP PROGRAM

22 TAC §520.2

The Texas State Board of Public Accountancy adopts an amendment to §520.2 concerning Definitions, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 693) and will not be republished.

Student Aid Index is a Department of Education term used in student aid for funding education and is more comprehensive in determining the amount of financial aid a student may be eligible for than simply family's contribution to a student.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
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For further information, please call: (512) 305-7842

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22 TAC §520.3

The Texas State Board of Public Accountancy adopts an amendment to §520.3 concerning Institutions for the Accounting Students Scholarship Program, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 695) and will not be republished.

Student Aid Index is a Department of Education term used in student aid for funding education and is more comprehensive in determining the amount of financial aid a student may be eligible for than simply family's contribution to a student.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
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Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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22 TAC §520.4

The Texas State Board of Public Accountancy adopts an amendment to §520.4 concerning Eligible Students for the Accounting Students Scholarship Program, without changes to the proposed text as published in February 6, 2026 issue of the *Texas Register* (51 TexReg 696) and will not be republished.

Replaces family contribution with the student aid index which is a conventional student aid term and clarifies that the cumulative grade point average is tied to student aid.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Public Accountancy Act (Act), Texas Occupations Code, §901.151 and §901.655 which provides the agency with the authority to amend, adopt and repeal rules deemed necessary or advisable to effectuate the Act.

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

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

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J. Randel (Jerry) Hill
General Counsel
Texas State Board of Public Accountancy
Effective date: April 1, 2026
Proposal publication date: February 6, 2026
For further information, please call: (512) 305-7842

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PART 39. TEXAS BOARD OF PROFESSIONAL GEOSCIENTISTS

CHAPTER 851. TEXAS BOARD OF PROFESSIONAL GEOSCIENTISTS LICENSING AND ENFORCEMENT RULES

SUBCHAPTER A. DEFINITIONS

22 TAC §851.10

Texas Board of Professional Geoscientists (TBPG), Adoption of amendment, TAC §851.10, concerning Definitions for Texas Professional Geoscientists, without changes to the proposed text as published in the January 23, 2026 issue of the *Texas Register* (51 TexReg 401). This rule will not be republished.

This section establishes definitions for Emeritus and Distinguished status. The adopted amendment will allow TBPG

to recognize licensees with established periods of exemplary public geoscience work.

No comments were received regarding adoption of the amendment.

This section is adopted under the Texas Geoscience Practice Act, Occupations Code §1002.151. which authorizes the Board to adopt and enforce all rules consistent with the Act as necessary for the performance of its duties; §1002.255. which authorizes the Board to establish license eligibility requirements, and §1002.259. which authorizes the Board to waive any requirement for licensure except for the payment of required fees.

This section affects the Texas Geoscience Practice Act, Occupations Code §§1002.151. and 1002.259.

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

Filed with the Office of the Secretary of State on March 12, 2026.

TRD-202601171
Katie Colby
Licensing Specialist
Texas Board of Professional Geoscientists
Effective date: April 1, 2026
Proposal publication date: January 23, 2026
For further information, please call: (512) 936-4428

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SUBCHAPTER B. P.G. LICENSING, FIRM REGISTRATION, AND GIT CERTIFICATION

22 TAC §851.24

Texas Board of Professional Geoscientists (TBPG), Adoption of New Rule, TAC §851.24, concerning Emeritus and Distinguished recognition program for Texas Professional Geoscientists, without changes to the proposed text as published in the January 23, 2026 issue of the *Texas Register* (51 TexReg 404). This rule will not be republished.

This section establishes requirements and qualifications for Emeritus and Distinguished status. The adopted rule will allow TBPG to recognize licensees with established periods of exemplary public geoscience work.

No comments were received regarding adoption of the new rule.

This section is adopted under the Texas Geoscience Practice Act, Occupations Code §1002.151, which authorizes the Board to adopt and enforce all rules consistent with the Act as necessary for the performance of its duties; §1002.255, which authorizes the Board to establish license eligibility requirements, and §1002.259, which authorizes the Board to waive any requirement for licensure except for the payment of required fees.

This section affects the Texas Geoscience Practice Act, Occupations Code §§1002.151 and 1002.259.

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

Filed with the Office of the Secretary of State on March 12, 2026.

TRD-202601172
Katie Colby
Licensing Specialist
Texas Board of Professional Geoscientists
Effective date: April 1, 2026
Proposal publication date: January 23, 2026
For further information, please call: (512) 936-4428

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TITLE 34. PUBLIC FINANCE

PART 4. EMPLOYEES RETIREMENT SYSTEM OF TEXAS

CHAPTER 75. HAZARDOUS PROFESSION DEATH BENEFITS

34 TAC §§75.1 - 75.3

The Employees Retirement System of Texas (ERS) adopts amendments to 34 Texas Administrative Code Chapter 75, concerning Hazardous Profession Death Benefits, by amending §75.1 (Filing of Claims), §75.2 (Additional Benefit Claims), and §75.3 (Adjustments to Payments) with changes to the proposed text as published in the January 30, 2026 issue of the *Texas Register* (51 TexReg 536). The amendments were approved by the ERS Board of Trustees at its March 4, 2026 meeting. These sections will be republished.

Sections 75.1, 75.2, and 75.3, concerning Hazardous Profession Death Benefits, are amended in order to simplify and clarify the process for submitting an application for benefits.

No comments were received regarding the proposed amendments.

The amendments are adopted under Tex. Gov't Code §615.002, which provides authorization for the ERS Board of Trustees to adopt rules necessary for the administration of Tex. Gov't Code Ch. 615.

§75.1. Filing of Claims.

(a) An adult survivor or a person with authority to act on behalf of a survivor may initiate an application for benefits under Tex. Gov't Code Chapter 615, except that for benefits payable to survivors of members of Texas military forces under Tex. Gov't Code § 615.024, the system will make a determination regarding the payment of benefits based on information provided by the Texas Military Department, and the documentation requirements generally applicable to applications for benefits, as described in this chapter, will not apply to members of Texas military forces.

(b) The executive director or the executive director's designee, in his or her sole discretion, may waive any of the documentation requirements set forth in this chapter and may require any additional information, including sworn affidavits, necessary to establish the validity of a claim. The system may accept a certified copy by email, fax, or other electronic submission.

(c) The following documents must accompany an application for benefits:

(1) a sworn statement, on a form prescribed by the system, that provides information related to eligibility for benefits and is executed by each survivor who is applying to receive a lump sum or the survivor's legal representative;

(2) a certified copy of the death certificate;

(3) a certified copy of the autopsy report, if an autopsy has been performed;

(4) for a surviving spouse:

(A) a copy of a marriage license or an equivalent government record showing a formal marriage between the survivor and the decedent;

(B) a declaration of informal marriage, if one was filed; or

(C) for an informal marriage without a declaration, documentation that proves the survivor and the decedent:

(i) intended to have a present, immediate, and permanent marital relationship and did in fact agree to be married;

(ii) at the time of the decedent's death, had been living together in Texas as spouses; and

(iii) consistently represented to others that they were married (with occasional introductions as spouses being insufficient).

(5) a certified copy of the birth certificate for each surviving child;

(6) copies of official reports regarding the death;

(7) a sworn statement from the employer or the employer's authorized representative that includes the decedent's official job description as an attachment and describes:

(A) the circumstances surrounding the fatality, including the type of work being performed at the time of death, if the decedent was on duty at the time of death, and other duty-related information that is relevant to the claim;

(B) the specific position held by the decedent at the time of death;

(C) the dates of the decedent's employment;

(D) contact information for the decedent's next of kin and other emergency contact information in the employer's possession; and

(E) a description of the sources of information used to prepare the sworn statement.

(8) for a surviving parent who applies for benefits, a certified copy of the decedent's birth certificate;

(9) documentation from the appropriate authority which demonstrates:

(A) if the decedent was a law enforcement officer as described in Tex. Gov't Code §615.003(1), that the decedent was a commissioned peace officer certified by the Texas Commission on Law Enforcement;

(B) if the decedent was a fire protection professional as described in Tex. Gov't Code §615.003(10) or §615.003(11), that the decedent was certified by the Texas Commission on Fire Protection;

(C) if the decedent was a member of an organized volunteer fire department as described in Tex. Gov't Code §615.003(12), that the decedent was a member of an organized volunteer fire department that conducted a minimum of two drills each month, with each drill being at least two hours long, and the decedent rendered fire-fighting services without remuneration;

(D) if the decedent was a probation officer as described in Tex. Gov't Code §615.003(2), that the decedent had the qualifications and duties described in Tex. Gov't Code § 76.002 and § 76.005;

(E) if the decedent was a parole officer as described in Tex. Gov't Code §615.003(3), that the decedent was a parole officer with the qualifications and duties described in Tex. Gov't Code § 508.001 and § 508.113;

(F) if the decedent was a jailer or guard as described in Tex. Gov't Code §615.003(7), that the decedent was appointed by the sheriff and performed a security, custodial, or supervisory function over the admittance, confinement, or discharge of prisoners and that the decedent was certified by the Texas Commission on Law Enforcement;

(G) if the decedent was an individual who performed emergency medical services or operated an ambulance as described in Tex. Gov't Code §615.003(13), that the decedent was certified as at least an "emergency care attendant"; or

(H) if the decedent was a chaplain as described in Tex. Gov't Code §615.003(14), that the decedent was employed or formally designated as a chaplain by a specified fire department or law enforcement agency or by the Texas Department of Criminal Justice.

(10) for the decedent's non-biological children, a copy of a transcript of the federal income tax return for the decedent for the year preceding the year of the decedent's death; and

(11) copies of documents submitted in connection with a claim for workers' compensation benefits and decisions related to the claim, if requested by the system.

(d) For a survivor who is a minor child:

(1) monthly payments will be paid to the duly qualified or appointed guardian of the child or if no guardian exists, another legal representative of the child; and

(2) lump-sum payments will be paid to a duly appointed guardian of the child's estate or a management trust created under Estates Code Chapter 1301.

(e) Proof of the appointment of a guardian of a child's estate or the creation of a management trust will not be required before the system provides notice of the approval of an application for a lump-sum payment to a minor child, but payment may not be remitted until all steps necessary for the appointment of the guardian or the creation of the management trust are completed. Guardianship and trust documents must reflect that the court was aware of the approximate amount of the lump-sum benefit when making the decision to appoint a guardian or create a management trust.

§75.2. Additional Benefit Claims.

(a) In addition to the documents required under §75.1 of this chapter, the following documents must accompany a surviving spouse's application for benefits under Tex. Gov't Code Chapter 615, Subchapter F:

(1) a sworn statement from the surviving spouse, on a form prescribed by the system, that attests to the surviving spouse's eligibility for spousal benefits; and

(2) an itemized statement of funeral expenses incurred, if the application includes a claim for payment of funeral expenses.

(b) If the decedent died before September 1, 2022, then except as provided by subsection (e) of this section, an annuity payable to a surviving spouse who is eligible for benefits under Tex. Gov't Code Chapter 615, Subchapter F, shall be computed as provided by Tex. Gov't Code §814.105 as if the decedent, on the date of death:

(1) was employed by the Texas Department of Public Safety at the lowest salary provided by the General Appropriations Act for a peace officer position, if the decedent held a peace officer

position on the date of death, or by the Texas Department of Criminal Justice at the lowest salary provided by the General Appropriations Act for a custodial personnel position, if the decedent held a custodial personnel position on the date of death;

(2) had accrued 10 years of service credit in the applicable position; and

(3) was eligible to retire without regard to any age requirement.

(c) If the decedent died on or after September 1, 2022, then except as provided by subsection (e) of this section, a surviving spouse who is eligible for benefits under Tex. Gov't Code Chapter 615, Subchapter F, is entitled to receive the greater of an annuity computed as provided by subsection (b) of this section or an annuity computed as provided by Tex. Gov't Code §820.053 as if the decedent, on the date of death:

(1) was employed by the Texas Department of Public Safety at the lowest salary provided by the General Appropriations Act for a peace officer position, if the decedent held a peace officer position on the date of death, or by the Texas Department of Criminal Justice at the lowest salary provided by the General Appropriations Act for a custodial personnel position, if the decedent held a custodial personnel position on the date of death;

(2) had accrued 10 years of service credit in the applicable position;

(3) was eligible to retire without regard to any age requirement; and

(4) was not eligible for the additional benefit provided by Tex. Gov't Code §820.053(a)(2)(B).

(d) For purposes of subsection (c) of this section, the system shall:

(1) include gain sharing interest in the computation of an annuity under Tex. Gov't Code §820.053;

(2) determine which annuity computation would result in the greater annuity at the time the annuity is first paid; and

(3) allow the surviving spouse to reject the system's determination and elect to receive the lesser annuity by providing written notice of the election, which shall be irrevocable, to the system before any payment is made.

(e) In lieu of an amount computed under subsection (b) or (c) of this section, an annuity shall be paid in the amount the decedent would have been eligible to receive under the decedent's employee retirement plan if the decedent had been eligible to retire at the age and with the service attained on the last day of the month of the decedent's death if:

(1) the surviving spouse requests payment of the amount computed under this subsection before any payment computed under subsection (b) or (c) of this section is made;

(2) an authorized representative of the employee retirement plan in which the decedent was a participant certifies the amount computed under this subsection; and

(3) the amount computed under this subsection is greater than the amounts computed under subsections (b) and (c) of this section.

(f) The reduction factors applied to a death benefit plan administered by the system shall be applied in the same manner to an annuity computed under subsection (b) or (c) of this section.

(g) As a condition of receipt of an annuity under Tex. Gov't Code Chapter 615, Subchapter F, an eligible surviving spouse shall agree to annually certify the spouse's eligibility under subsection (a)(1) of this section and to notify the system of any change in circumstances affecting the spouse's continued eligibility. Failure to comply with this requirement or to provide the agreed certification is a basis for suspension of annuity payments until compliance occurs.

(h) The amount reimbursed for funeral expenses under Tex. Gov't Code Chapter 615, Subchapter F, may not exceed the lesser of $6,000 or the amount of funeral expenses actually incurred.

§75.3. Adjustments to Payments.

Beginning on September 1, 2020, and on each September 1 thereafter, any lump sum payment payable to eligible survivors under Tex. Gov't Code § 615.022(d) shall be adjusted annually by an amount equal to the percentage change in the Consumer Price Index for All Urban Consumers for the previous calendar year. The annual adjustment will be an amount as reported by the system's consulting actuary and approved by the executive director.

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

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

TRD-202601258
Cynthia Canfield Hamilton
General Counsel and Chief Compliance Officer
Employees Retirement System of Texas
Effective date: April 5, 2026
Proposal publication date: January 30, 2026
For further information, please call: (877) 275-4377

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TITLE 40. SOCIAL SERVICES AND ASSISTANCE

PART 19. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

CHAPTER 702. GENERAL ADMINISTRATION SUBCHAPTER F. ADVISORY COMMITTEES

40 TAC §702.506

The Department and Family Protective Services (DFPS) adopts new §702.506 in Title 40, Texas Administrative Code (TAC), Part 19, Chapter 702, Subchapter F, ADVISORY COMMITTEES, related to the newly established Child Protective Investigations (CPI) Advisory Committee. The proposal was published in the February 13, 2026, issue of the *Texas Register* (51 TexReg 870). The new rule is adopted without changes to the proposed text and will not be republished.

BACKGROUND AND JUSTIFICATION

House Bill (H.B.) 140, 89th Texas Legislature (Regular Session, 2025), abolished the Texas Family and Protective Services Council effective September 1, 2026, and established the Child Protective Investigations Advisory Committee (CPI Advisory Committee). As a state advisory committee, DFPS is required to adopt rules in accordance with Texas Government Code Chapter 2110, including rules that define the committee's purpose and tasks, describe how the committee will report to the

agency, and specify the committee's duration (unless a specific duration is prescribed by statute).

COMMENTS

The 30-day comment period ended March 15, 2026. During this period, DFPS did not receive any comments regarding the new rule.

STATUTORY AUTHORITY

The new rule is adopted under Texas Human Resources Code §40.031, as enacted by H.B. 140, 89th Legislature (Regular Session, 2025) which requires DFPS to establish the Child Protective Investigations Advisory Committee. Government Code Chapter 2110 requires rules for state agency advisory committees. The rule is also adopted under Texas Human Resources Code §40.021 which provides that the Department of Family and Protective Services Commissioner shall oversee the development of rules relating to matters within the department's jurisdiction and notwithstanding any other law, shall adopt rules for the operation and provision of services by the department.

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

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

TRD-202601257
Sanjuanita Maltos
Rules Coordinator
Department of Family and Protective Services
Effective date: April 5, 2026
Proposal publication date: February 13, 2026
For further information, please call: (512) 945-5978



Review Of Agency Rules

This section contains notices of state agency rule review as directed by the Texas Government Code, §2001.039. Included here are proposed rule review notices, which invite public comment to specified rules under review; and adopted rule review notices, which summarize public comment received as part of the review. The complete text of an agency's rule being reviewed is available in the *Texas Administrative Code* on the Texas Secretary of State's website.

For questions about the content and subject matter of rules, please contact the state agency that is reviewing the rules. Questions about the website and printed copies of these notices may be directed to the *Texas Register* office.

Proposed Rule Reviews

Texas Health and Human Services Commission

Title 1, Part 15

The Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 1, Part 15, of the Texas Administrative Code (TAC):

Chapter 386, Disaster Assistance Program

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 386, Disaster Assistance Program, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or by email to **hhsrulescoordinationoffice@hhs.texas.gov**. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 386" in the subject line. The deadline for comments is on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register.*

The text of the rule sections being reviewed will not be published but may be found in Title 1, Part 15, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202601270
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: March 17, 2026

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Title 26, Part 1

The Texas Health and Human Services Commission (HHSC) proposes to review and consider for readoption, revision, or repeal the chapter listed below, in its entirety, contained in Title 26, Part 1, of the Texas Administrative Code (TAC):

Chapter 361, Guardianship Services

This review is conducted in accordance with the requirements of Texas Government Code §2001.039, which requires state agencies, every four years, to assess whether the initial reasons for adopting a rule continue to exist. After reviewing its rules, the agency will readopt, readopt with amendments, or repeal its rules.

Comments on the review of Chapter 361, Guardianship Services, may be submitted to HHSC Rules Coordination Office, Mail Code 4102, P.O. Box 13247, Austin, Texas 78711-3247, or by email to **hhsrulescoordinationoffice@hhs.texas.gov**. When emailing comments, please indicate "Comments on Proposed Rule Review Chapter 361" in the subject line. The deadline for comments is on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register.*

The text of the rule sections being reviewed will not be published but may be found in Title 26, Part 1, of the Texas Administrative Code or on the Secretary of State's website at State Rules and Open Meetings (www.sos.texas.gov).

TRD-202601220
Jessica Miller
Director, Rules Coordination Office
Texas Health and Human Services Commission
Filed: March 13, 2026

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Texas Commission on Jail Standards

Title 37, Part 9

The Texas Commission on Jail Standards (TCJS) files this notice of its intent to review Chapter 283 Discipline and Grievances, in accordance with §2001.039.

An assessment will be made by TCJS as to whether the reasons for adopting or readopting the chapter continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current TCJS procedures.

Comments on the review may be submitted to TCJS, addressed to Richard Morgan, at Richard.morgan@tcjs.state.tx.us or P.O. Box 12985, Austin, Texas 78711-2985. TCJS must receive comments postmarked no later than 30 days from the date this notice is published in the *Texas Register*.

TRD-202601310
Ricky Armstrong
Interim Executive Director
Texas Commission on Jail Standards
Filed: March 18, 2026

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The Texas Commission on Jail Standards (TCJS) files this notice of its intent to review Chapter 285 Recreation and Exercise, in accordance with §2001.039.

An assessment will be made by TCJS as to whether the reasons for adopting or readopting the chapter continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current TCJS procedures.

Comments on the review may be submitted to TCJS, addressed to Richard Morgan, at Richard.morgan@tcjs.state.tx.us or P.O. Box 12985, Austin, Texas 78711-2985. TCJS must receive comments postmarked no later than 30 days from the date this notice is published in the *Texas Register*.

TRD-202601311
Ricky Armstrong
Interim Executive Director
Texas Commission on Jail Standards
Filed: March 18, 2026

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The Texas Commission on Jail Standards (TCJS) files this notice of its intent to review Chapter 287 Education and Rehabilitation Programs, in accordance with §2001.039.

An assessment will be made by TCJS as to whether the reasons for adopting or readopting the chapter continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current TCJS procedures.

Comments on the review may be submitted to TCJS, addressed to Richard Morgan, at Richard.morgan@tcjs.state.tx.us or P.O. Box 12985, Austin, Texas 78711-2985. TCJS must receive comments postmarked no later than 30 days from the date this notice is published in the *Texas Register*.

TRD-202601313
Ricky Armstrong
Interim Executive Director
Texas Commission on Jail Standards
Filed: March 18, 2026

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The Texas Commission on Jail Standards (TCJS) files this notice of its intent to review Chapter 289 Work Assignments, in accordance with §2001.039.

An assessment will be made by TCJS as to whether the reasons for adopting or readopting the chapter continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current TCJS procedures.

Comments on the review may be submitted to TCJS, addressed to Richard Morgan, at Richard.morgan@tcjs.state.tx.us or P.O. Box 12985, Austin, Texas 78711-2985. TCJS must receive comments postmarked no later than 30 days from the date this notice is published in the *Texas Register*.

TRD-202601314
Ricky Armstrong
Interim Executive Director
Texas Commission on Jail Standards
Filed: March 18, 2026

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The Texas Commission on Jail Standards (TCJS) files this notice of its intent to review Chapter 291 Services and Activities, in accordance with §2001.039.

An assessment will be made by TCJS as to whether the reasons for adopting or readopting the chapter continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current TCJS procedures.

Comments on the review may be submitted to TCJS, addressed to Richard Morgan, at Richard.morgan@tcjs.state.tx.us or P.O. Box 12985, Austin, Texas 78711-2985. TCJS must receive comments postmarked no later than 30 days from the date this notice is published in the *Texas Register*.

TRD-202601315
Ricky Armstrong
Interim Executive Director
Texas Commission on Jail Standards
Filed: March 18, 2026

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Adopted Rule Reviews

State Board for Educator Certification

Title 19, Part 7

The State Board for Educator Certification (SBEC) adopts the review of 19 Texas Administrative Code (TAC) Chapter 229, Accountability System for Educator Preparation Programs, Subchapter A, Accountability System for Educator Preparation Program Procedures, Subchapter B, Accountability System for Educator Preparation Accreditation Statuses, Subchapter C, Accreditation Sanctions, Subchapter D, Continuing Approval Procedures, Subchapter E, Review Procedures, and Subchapter F, Required Fees, pursuant to Texas Government Code (TGC), §2001.039. The SBEC proposed the review of 19 TAC Chapter 229 in the January 2, 2026 issue of the *Texas Register* (51 TexReg 163).

Relating to the review of 19 TAC Chapter 229, the SBEC finds that the reasons for the adoption continue to exist and readopts the rules. Following is a summary of the public comments received and the SBEC's responses related to the review of Chapter 229.

Comment: A commenter encouraged the SBEC to adjust requirements in Chapter 229 related to literacy and the science of reading. The commenter requested that the SBEC require candidates to demonstrate their instructional readiness before certification.

Response: This comment is outside the scope of the proposed rule review, but Texas Education Agency (TEA) staff and the SBEC will consider the recommendations during future rulemaking.

Comment: A commenter stated that House Bill 3, 89th Texas Legislature, Regular Session, 2025, requires strong literacy and the science of reading and encouraged the SBEC to follow the law requiring institutions of higher education and the SBEC to implement strong practices and policies regarding literacy.

Response: This comment is outside the scope of the proposed rule review, but TEA staff and the SBEC will consider the recommendations during future rulemaking.

This concludes the review of 19 TAC Chapter 229.

TRD-202601276

Cristina De La Fuente-Valadez
Director, Rulemaking
State Board for Educator Certification
Filed: March 17, 2026

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The State Board for Educator Certification (SBEC) adopts the review of 19 Texas Administrative Code (TAC) Chapter 247, Educators' Code of Ethics, pursuant to Texas Government Code (TGC), §2001.039. The SBEC proposed the review of 19 TAC Chapter 247 in the January 2, 2026 issue of the *Texas Register* (51 TexReg 163).

Relating to the review of 19 TAC Chapter 247, the SBEC finds that the reasons for the adoption continue to exist and readopts the rules. Following is a summary of the public comment received and the SBEC's response related to the review of Chapter 247.

Comment: A Texas educator preparation program faculty member commented on the necessity of the Texas Educators' Code of Ethics in Chapter 247, highlighting Standards 1.1 and 1.7. The commenter expressed concern related to a disconnect between local school leaders and policymakers and the importance of the coherence of policy and program implementation to avoid communication and organizational conflicts. The commenter noted that school leaders and other certified educators are required to be apolitical and are contracted to implement policy and related program decisions without prejudice, and that this also applies to certified administrators, teachers, and all public school employees who implement policies, programs, and related priorities largely decided by others, including elected local school boards, state and federal lawmakers, and various appointed officials.

The commenter stated that, while certified educators may be disturbed by election outcomes, they are not lawfully or ethically allowed to negate, undermine, or provide counter narratives or agendas to school programs, policies, and priorities of elected officials and/or their designees. The commenter expressed support for the continued existence of the Educators' Code of Ethics and emphasized its importance in ensuring that educators implement all laws, policies, and administrative rules with full fidelity and consistency.

Response: The SBEC agrees and took action to readopt Chapter 247, which includes Standards 1.1 and 1.7.

This concludes the review of 19 TAC Chapter 247.

TRD-202601277
Cristina De La Fuente-Valadez
Director, Rulemaking
State Board for Educator Certification
Filed: March 17, 2026

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The State Board for Educator Certification (SBEC) adopts the review of 19 Texas Administrative Code (TAC) Chapter 250, Administration, Subchapter A, Purchasing, and Subchapter B, Rulemaking Procedures, pursuant to Texas Government Code (TGC), §2001.039. The SBEC proposed the review of 19 TAC Chapter 250 in the January 2, 2026 issue of the *Texas Register* (51 TexReg 163).

Relating to the review of 19 TAC Chapter 250, the SBEC finds that the reasons for the adoption continue to exist and readopts the rules. The SBEC received no public comments related to the review of Chapter 250.

This concludes the review of 19 TAC Chapter 250.

TRD-202601278
Cristina De La Fuente-Valadez
Director, Rulemaking
State Board for Educator Certification
Filed: March 17, 2026

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Employees Retirement System of Texas

Title 34, Part 4

Pursuant to the notice of the proposed rule review that was published in the August 16, 2024 issue of the *Texas Register* (49 TexReg 6285), the Employees Retirement System of Texas (ERS) reviewed 34 Texas Administrative Code (TAC), Chapter 75, Hazardous Profession Death Benefits, pursuant to Texas Government Code § 2001.039, to determine whether the reasons for adopting the rules in Chapter 75 continue to exist. No comments were received concerning the proposed review.

As a result of the review, the ERS Board of Trustees (Board) has determined that the reasons for adopting the rules in 34 TAC Chapter 75 continue to exist, and the Board readopts Chapter 75 with the amendments, as published in the January 30, 2026 issue of the *Texas Register* (51 TexReg 536) and adopted by the Board at its March 4, 2026 meeting, with changes. This completes ERS' review of 34 TAC Chapter 75, Hazardous Profession Death Benefits.

TRD-202601259
Cynthia Canfield Hamilton
General Counsel and Chief Compliance Officer
Employees Retirement System of Texas
Filed: March 16, 2026

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Texas Civil Commitment Office

Title 37, Part 16

The Texas Civil Commitment Office (TCCO) adopts the review of Title 37, Part 16, Chapter 810, §§810.121, 810.151, 810.272, 810.274, and 810.275. Notice of the review of this chapter was published in the October 10, 2025, issue of the *Texas Register* (50 TexReg 6691). TCCO received no comments concerning these rules.

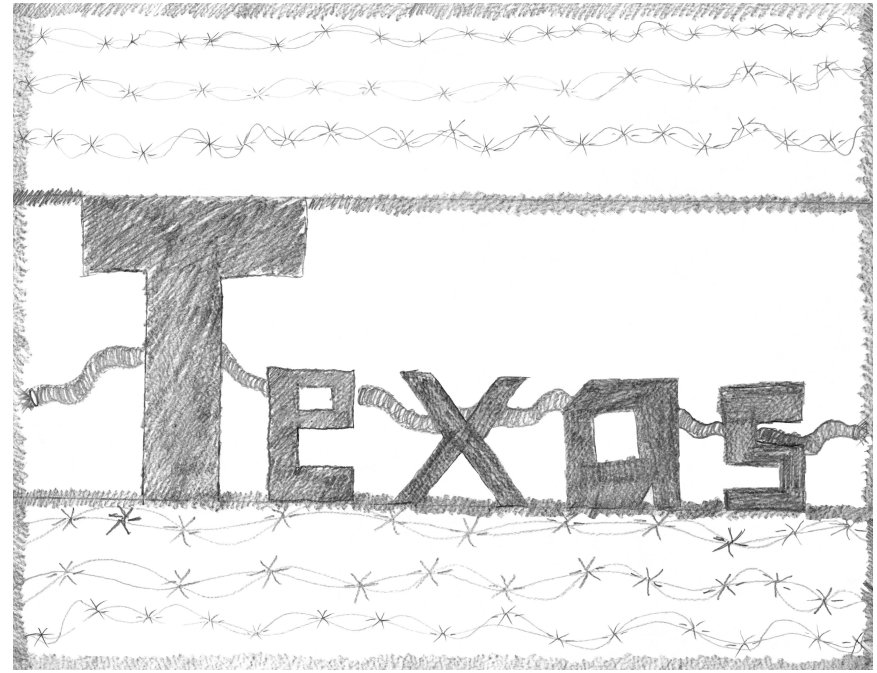
TCCO has reviewed these rules in accordance with Texas Government Code §2001.039, which requires state agencies to assess, every four years, whether the initial reasons for adopting a rule continue to exist.

The agency determined that the original reasons for adopting §§810.121, 810.151, 810.272, 810.274, and 810.275 continue to exist and readopts Title 37, Part 16, Chapter 810, §§810.121, 810.151, 810.272, 810.274, and 810.275. Any amendments, if applicable, to these rules will be proposed in a future issue of the *Texas Register*.

This concludes TCCO's review of Title 37, Part 16, Chapter 810, §§810.121, 810.151, 810.272, 810.274, and 810.275 as required by Texas Government Code §2001.039.

TRD-202601285
Jessica Marsh
Deputy Director
Texas Civil Commitment Office
Filed: March 18, 2026

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TEXAS

The *Texas Register* is required by statute to publish certain documents, including applications to purchase control of state banks, notices of rate ceilings issued by the Office of Consumer Credit Commissioner, and consultant proposal requests and awards. State agencies also may publish other notices of general interest as space permits.

Texas Alcoholic Beverage Commission

Advertising Specialties Limit Order

ADVERTISING SPECIALTIES	§	**BEFORE THE**
	§	
LIMIT PURSUANT TO ALCOHOLIC	§	**TEXAS ALCOHOLIC BEVERAGE**
	§	
BEVERAGE CODE SECTION 102.07	§	**COMMISSION**

ADVERTISING SPECIALTIES LIMIT ORDER

Alcoholic Beverage Code Section 102.07(b) and Texas Alcoholic Beverage Commission (TABC) Administrative Rule 45.117(c)(2) authorize the Executive Director to, not more than once a year, increase or decrease the total amount of advertising specialties permitted to be furnished to retailers under Section 102.07(b). Any increase or decrease may not exceed six percent based on the consumer price index and previous adjustments, if any.

By order dated February 19, 2025, the total cost of all advertising specialties furnished to a retailer by an applicable permittee was set at $140.45 per brand per calendar year. *See* 50 TexReg 1837.

TABC has determined that a six percent increase to the allowable amount is warranted, primarily due to inflation and the lack of adjustments in years prior to 2024. A six percent increase applied to $140.45 is $148.88.

IT IS THEREFORE ORDERED THAT THE TOTAL COST OF ADVERTISING SPECIALTIES AUTHORIZED UNDER ALCOHOLIC BEVERAGE CODE SECTION 102.07(b) IS $148.88 PER BRAND PER CALENDAR YEAR.

ENTERED AND EFFECTIVE on 2/26/2026.

TEXAS ALCOHOLIC BEVERAGE COMMISSION

Thomas Graham

THOMAS GRAHAM
EXECUTIVE DIRECTOR

TRD-202601169

Matthew Cherry
Senior Counsel
Texas Alcoholic Beverage Commission
Filed: March 11, 2026

♦ ♦ ♦

Office of the Attorney General

Texas Health and Safety Code and Texas Water Code Settlement Notice

The State of Texas gives notice of the following proposed resolution of an environmental enforcement action under the Texas Health and Safety Code, Texas Water Code, and Texas Administrative Code. Before the State may enter into a voluntary settlement agreement, pursuant to section 7.110 of the Texas Water Code, the State shall permit the public to comment in writing. The Attorney General will consider any written comments and may withdraw or withhold consent to the proposed agreement if the comments disclose facts or considerations indicating that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the law.

Case Title and Court: *Harris County, Texas, and the State of Texas, a Necessary and Indispensable Party v. Texcon Ready Mix, Inc., US Readymix Inc., and Texas Concrete Enterprise, LLC*; Cause No. 2024-01367, in the 11th District Court of Harris County, Texas.

Background: Defendant Texcon Ready Mix, Inc. ("Texcon Ready Mix") operates a concrete batch plant located at 3315 Carr Street, Houston, Texas 77026 (the "Facility"). The Facility operates under Texas Commission on Environmental Quality ("TCEQ") air and water permits. Over the course of multiple investigations conducted from October 6, 2020, to July 18, 2023, Harris County Pollution Control Services documented permit violations at the Facility. Texcon Ready Mix was the TCEQ air permit holder until May 19, 2024, when the permit was transferred to US Readymix, Inc. The permit was then transferred to Texas Concrete Enterprise, LLC on June 9, 2024. On January 9, 2024, Harris County, Texas filed suit against Texcon Ready Mix for violations of the Texas Health and Safety Code, Texas Water Code, TCEQ rules, and TCEQ permits. The State of Texas, acting on behalf of the TCEQ, joined the lawsuit as a necessary and indispensable party. On December 10, 2024, Harris County named US Readymix, Inc. and Texas Concrete Enterprise, LLC as additional defendants in the lawsuit. The State, Harris County, and Texcon Ready Mix have reached an agreement to resolve the pending claims against the Texcon Ready Mix.

Proposed Settlement: The State, Harris County, and Texcon Ready Mix propose an Agreed Judgment that awards the State and Harris County the following monetary judgments against Texcon Ready Mix: $300,000.00 in civil penalties, to be divided equally between the State and Harris County; $25,000.00 in attorney's fees to the State; $25,000.00 in attorney's fees to Harris County; and $374.00 in court costs to Harris County. In addition to the initial civil penalties, Texcon Ready Mix shall be liable for an additional $100,000.00 in civil penalties, to be divided equally between the State and Harris County, if still operating the Facility and found to be in violation of their Standard Permit within two years of the Effective Date of this Agreed Judgment.

For a complete description of the proposed settlement, the Agreed Final Judgment should be reviewed in its entirety. Requests for copies of the proposed judgment and settlement, and written comments on the same, should be directed to Shelby Thompson, Assistant Attorney General, Office of the Texas Attorney General, P.O. Box 12548, MC-066, Austin, Texas 78711-2548, (512) 463-2012, facsimile (512) 320-0911, email: Shelby.Thompson@oag.texas.gov. Written comments must be received within 30 days of publication of this notice to be considered.

TRD-202601239
Justin Gordon
General Counsel
Office of the Attorney General
Filed: March 16, 2026

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Comptroller of Public Accounts

Certification of the Average Closing Price of Gas and Oil - February 2026

The Comptroller of Public Accounts, administering agency for the collection of the Oil Production Tax, has determined, as required by Tax Code, §202.058, that the average taxable price of oil for reporting period February 2026 is $35.12 per barrel for the three-month period beginning on November 1, 2025, and ending January 31, 2026. Therefore, pursuant to Tax Code, §202.058, oil produced during the month of February 2026, from a qualified low-producing oil lease, is not eligible for credit on the oil production tax imposed by Tax Code, Chapter 202.

The Comptroller of Public Accounts, administering agency for the collection of the Natural Gas Production Tax, has determined, as required by Tax Code, §201.059, that the average taxable price of gas for reporting period February 2026 is $1.33 per mcf for the three-month period beginning on November 1, 2025, and ending January 31, 2026. Therefore, pursuant to Tax Code, §201.059, gas produced during the month of February 2026, from a qualified low-producing well, is eligible for a 100% credit on the natural gas production tax imposed by Tax Code, Chapter 201.

The Comptroller of Public Accounts, administering agency for the collection of the Franchise Tax, has determined, as required by Tax Code, §171.1011(s), that the average closing price of West Texas Intermediate crude oil for the month of February 2026 is $64.52 per barrel. Therefore, pursuant to Tax Code, §171.1011(r), a taxable entity shall not exclude total revenue received from oil produced during the month of February 2026, from a qualified low-producing oil well.

The Comptroller of Public Accounts, administering agency for the collection of the Franchise Tax, has determined, as required by Tax Code, §171.1011(s), that the average closing price of gas for the month of February 2026 is $3.12 per MMBtu. Therefore, pursuant to Tax Code, §171.1011(r), a taxable entity shall exclude total revenue received from gas produced during the month of February 2026, from a qualified low-producing gas well.

Inquiries should be submitted to Jenny Burleson, Director, Tax Policy Division, P.O. Box 13528, Austin, Texas 78711-3528.

Issued in Austin, Texas, on March 17, 2026.

TRD-202601282
Jennifer Burleson
Director, Tax Policy
Comptroller of Public Accounts
Filed: March 17, 2026

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Correction of Previously Published Hearing Time

The Comptroller of Public Accounts proposed amendments to 34 TAC §§20.281, 20.282, 20.284, 20.285, 20.288, 20.294 - 20.296, and 20.298 in the March 13, 2026, issue of the *Texas Register* (51 TexReg

1563).The time for the public hearing was incorrectly published for 7:00 a.m. instead of 10:00 a.m., Central Time, on April 7, 2026.

The correct public hearing information is as follows:

A public hearing will be held to receive comments on the proposed amendments. There is no physical location for this meeting. The meeting will be held at 10:00 a.m., Central Time, on April 7, 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=mac3fedd0742ad312afab6a350ab5e570. To join the meeting by computer or cell phone using the Webex app, use the access code 2481 363 9967 and password SPDRULES. 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 April 6, 2026.

Issued in Austin, Texas, on March 17, 2026.

TRD-202601274
Don Neal
General Counsel, Operations and Support Legal Services
Comptroller of Public Accounts
Filed: March 17, 2026

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Local Sales Tax Rate Changes Effective April 1, 2026

A 1 1/2 percent city sales and use tax will become effective April 1, 2026 in the city listed below.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Bloomington (Victoria Co)	2235034	.020000	.082500

An additional 1 percent city sales and use tax for Municipal Street Maintenance and Repair as permitted under Chapter 327 of the Texas Tax Code will become effective April 1, 2026 in the city listed below.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Blanket (Brown Co)	2025047	.020000	.082500

The additional 1/4 percent city sales and use tax for Municipal Street Maintenance and Repair as permitted under Chapter 327 of the Texas Tax Code will be abolished effective March 31, 2026 in the city listed below.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Bertram (Burnet Co)	2027045	.017500	.080000

The additional 1/2 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 505 of the Texas Local Government Code, Type B Corporations (4B) will be abolished effective March 31, 2026 in the city listed below.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Palmer (Ellis Co)	2070069	.020000	.082500

An additional 1 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 505 of the Texas Local Government Code, Type B Corporations (4B) will become effective April 1, 2026 in the city listed below.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Dorchester (Grayson Co)	2091171	.020000	.082500

The 3/8 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 504 of the Texas Local Government Code, Type A Corporations (4A) will be increased to 7/8 percent effective April 1, 2026 in the city listed below.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Denver City (Gaines and Yoakum Co)	2251024	.020000	.082500

The 1 percent city sales and use tax as permitted under Chapter 321 of the Texas Tax Code will be reduced to 3/4 percent effective March 31, 2026 and an additional 1/4 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 505 of the Texas Local Government Code, Type B Corporations (4B) will become effective April 1, 2026 in the city listed below. There will be no change in the local rate or total rate.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Kermit (Winkler Co)	2248011	.020000	.082500

The additional 1/2 percent city sales and use tax for Municipal Street Maintenance and Repair as permitted under Chapter 327 of the Texas Tax Code will be abolished effective March 31, 2026 and the city sales and use tax will be increased to 2 percent as permitted under Chapter 321 of the Texas Tax Code will become effective April 1, 2026 in the city listed below. There will be no change in the local rate or total rate.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Darrouzett (Lipscomb Co)	2148030	.020000	.082500

The additional 1/8 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 504 of the Texas Local Government Code, Type A Corporations (4A) will be abolished effective March 31, 2026 and the 1/8 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 505 of the Texas Local Government Code, Type B Corporations (4B) will become effective April 1, 2026 in the city listed below. There will be no change in the local rate or total rate.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Del Rio (Val Verde Co)	2233018	.020000	.082500

The additional 1/4 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 504 of the Texas Local Government Code, Type A Corporations (4A) will be abolished effective March 31, 2026 and the 1/4 percent city sales and use tax for improving and promoting economic and industrial development as permitted under Chapter 505 of the Texas Local Government Code, Type B Corporations (4B) will become effective April 1, 2026 in the city listed below. There will be no change in the local rate or total rate.

CITY NAME	LOCAL CODE	LOCAL RATE	TOTAL RATE
Corpus Christi (Nueces and San Patricio Co)	2178015	.020000	.082500

A 1/4 percent special purpose district sales and use tax will become effective April 1, 2026 in the special purpose district listed below.

SPD NAME	LOCAL CODE	NEW RATE	DESCRIPTION
Bexar County Emergency Services District No. 9-A	5015735	.002500	SEE NOTE 1

A 1/2 percent special purpose district sales and use tax will become effective April 1, 2026 in the special purpose districts listed below.

SPD NAME	LOCAL CODE	NEW RATE	DESCRIPTION
Hill County Emergency Services District No. 1	5109536	.005000	SEE NOTE 2
Kermit Municipal Development District	5248510	.005000	SEE NOTE 3
Palmer Municipal Development District	5070540	.005000	SEE NOTE 4

A 1 1/2 percent special purpose district sales and use tax will become effective April 1, 2026 in the special purpose districts listed below.

SPD NAME	LOCAL CODE	NEW RATE	DESCRIPTION
Bexar County Emergency Services District No. 9	5015726	.015000	SEE NOTE 5
Jefferson County Emergency Services District No. 1	5123565	.015000	SEE NOTE 6
Jefferson County Emergency Services District No. 5	5123556	.015000	SEE NOTE 7
Tyler County Emergency Services District No. 6	5229531	.015000	SEE NOTE 8
Village Mills Emergency Services District No. 8-A	5229540	.015000	SEE NOTE 9

A 2 percent special purpose district sales and use tax will become effective April 1, 2026 in the special purpose district listed below.

SPD NAME	LOCAL CODE	NEW RATE	DESCRIPTION
Village Mills Emergency Services District No. 8	5100562	.020000	SEE NOTE 10

The combined area has been created to administer the local sales and use tax between overlapping local jurisdictions as permitted under Chapter 321 of the Texas Tax Code, effective April 1, 2026 in the entities listed below.

COMBINED AREA NAME	LOCAL CODE	NEW RATE	DESCRIPTION
Elgin/Bastrop-Travis Emergency Services District No. 1	6227098	.020000	SEE NOTE 11
Elgin/Bastrop-Travis Emergency Services District No. 1-A	6011604	.015000	SEE NOTE 12
Elgin/Travis County Emergency Services District No. 13	6227089	.020000	SEE NOTE 13
Venus/Ellis County Emergency Services District No. 2	6070602	.020000	SEE NOTE 14
Venus/Johnson County Emergency Services District No. 1-B	6126633	.020000	SEE NOTE 15

****ADDENDUM TO LOCAL SALES TAX RATE CHANGES EFFECTIVE JANUARY 1, 2026****

The combined area created to administer the local sales and use tax between overlapping local jurisdictions as permitted under Chapter 321 of the Texas Tax Code, is abolished effective December 31, 2025 below.

COMBINED AREA NAME	LOCAL CODE	NEW RATE	TOTAL RATE
San Antonio/Medina County	6163600	.000000	.000000

The combined area has been created to administer the local sales and use tax between overlapping local jurisdictions as permitted under Chapter 321 of the Texas Tax Code, effective January 1, 2026 in the entity listed below.

COMBINED AREA NAME	LOCAL CODE	NEW RATE	DESCRIPTION
San Antonio/Medina County	6169637	.011250	SEE NOTE 16

NOTE 1: The Bexar County Emergency Services District No. 9-A is the portion of the district that overlaps the city of China Grove. Contact the district representative at 210-859-2410 for additional boundary information.

NOTE 2: The Hill County Emergency Services District No. 1 has the same boundaries as unincorporated Hill County, which has a county sales and use tax, and Hill County Emergency Services District No. 2-A, which has a special purpose district sales and use tax. The district excludes, for sales tax purposes, any incorporated cities within the district. Contact the district representative at 254-479-5459 for additional boundary information.

NOTE 3: The Kermit Municipal Development District has the same boundaries as the unincorporated extraterritorial jurisdiction of the city of Kermit. The district is located entirely within Winkler County, which has a county sales and use tax, and Winkler County Health and Services District, which has a special purpose district sales and use tax. Contact the district representative at 432-586-3510 for additional boundary information.

NOTE 4: The Palmer Municipal Development District has the same boundaries as the Palmer extraterritorial jurisdiction which includes the city of Palmer. Contact the district representative at 972-449-3160 for additional boundary information.

NOTE 5: The Bexar County Emergency Services District No. 9 is located in the east central portion of Bexar County. The district is located entirely within the San Antonio MTA, which has a transit sales and use tax. The unincorporated areas of Bexar County in ZIP Codes 78220, 78222, 78223 and 78263 are partially located in the district. Contact the district representative at 210-859-2410 for additional boundary information.

NOTE 6: The Jefferson County Emergency Services District No. 1 is located in the northern portion of Jefferson County, which has a county sales and use tax. The district excludes, for sales tax purposes, the city of Bevil Oaks. The unincorporated areas of Jefferson County in ZIP Code 77713 are partially located in the district. Contact the district representative at 409-753-3486 for additional boundary information.

NOTE 7: The Jefferson County Emergency Services District No. 5 is located in the southwestern portion of Jefferson County, which has a county sales and use tax. The unincorporated areas of Jefferson County in ZIP Codes 77622, 77629, 77665 and 77705 are partially located in the district. Contact the district representative at 409-673-1207 for additional boundary information.

NOTE 8: The Tyler County Emergency Services District No. 6 is located in the southeastern portion of Tyler County, which has a county sales and use tax. The unincorporated areas of Tyler County in ZIP Codes 77616, 77656, 77660 and 77664 are partially located in the district. Contact the district representative at 409-656-3264 for additional boundary information.

NOTE 9: The Village Mills Emergency Services District No. 8-A is located in the southwestern portion of Tyler County, which has a county sales and use tax. The unincorporated areas of Tyler County in ZIP Code 77663 are partially in the district. Contact the district representative at 409-658-8606 for additional boundary information.

NOTE 10: The Village Mills Emergency Services District No. 8 is located in the northern portion of Hardin County. The unincorporated areas of Hardin County in ZIP Code 77663 are partially in the district. Contact the district representative at 409-658-8606 for additional boundary information.

NOTE 11: The Elgin/Bastrop-Travis Emergency Services District No. 1 combined area is the area within Bastrop-Travis Emergency Services District No. 1 annexed by the city of Elgin on or after Dec. 16, 2025.

NOTE 12: The Elgin/Bastrop-Travis Emergency Services District No. 1-A combined area is the area within Bastrop-Travis Emergency Services District No. 1-A annexed by the city of Elgin on or after Jan. 20, 2026.

NOTE 13: The Elgin/Travis County Emergency Services District No. 13 combined area is the area within Travis County Emergency Services District No. 13 annexed by the city of Elgin on or after Nov. 17, 2025.

NOTE 14: The Venus/Ellis County Emergency Services District No. 2 combined area is the area within Ellis County Emergency Services District No. 2 annexed by the city of Venus on or after Oct. 13, 2025.

NOTE 15: The Venus/Johnson County Emergency Services District No. 1-B combined area is the area within Johnson County Emergency Services District No. 1-B annexed by the city of Venus on or after June 14, 2021.

NOTE 16: The San Antonio/Medina County combined area is the area within the city of San Antonio in Medina County.

TRD-202601262
Jenny Burleson
Director, Tax Policy
Comptroller of Public Accounts
Filed: March 16, 2026

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Office of Consumer Credit Commissioner

Notice of Rate Ceilings

The Consumer Credit Commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in §303.003, §303.009, and §304.003 Texas Finance Code.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 03/23/26 - 03/29/26 is 18.00% for consumer[1] credit.

The weekly ceiling as prescribed by §303.003 and §303.009 for the period of 03/23/26 - 03/29/26 is 18.00% for commercial[2] credit.

The postjudgment interest rate as prescribed by §304.003 for the period of 04/01/26 - 04/30/26 is 6.75%.

[1] Credit for personal, family, or household use.

[2] Credit for business, commercial, investment, or other similar purpose.

TRD-202601273
Leslie L. Pettijohn
Commissioner
Office of Consumer Credit Commissioner
Filed: March 17, 2026

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Credit Union Department

Application to Expand Field of Membership

Notice is given that the following application has been filed with the Credit Union Department (Department) and is under consideration.

An application was received from First Central Credit Union, Waco, Texas, to expand its field of membership. The proposal would permit members of Cornerstone Credit Union Foundation located in Texas, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days of the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at http://www.cud.texas.gov/page/bylaw-charter-applications. Any written comments must provide all the information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consid-

eration of the merits of an application. Comments or a request for a meeting should be addressed to the Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

TRD-202601295
Robert W. Etheridge
Commissioner
Credit Union Department
Filed: March 18, 2026

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Texas Education Agency

Correction of Error

The Texas Education Agency (TEA) adopted an amendment to 19 TAC §97.1001, concerning the accountability rating system, in the March 20, 2026 issue of the *Texas Register* (51 TexReg 1854).

Due to an error by TEA, incorrect page number references were included in some of the descriptions of changes made at adoption and responses to public comment. The affected text should have read as follows.

Descriptions of changes made at adoption

Chapter 7 describes the pairing process and the alternative education accountability (AEA) provisions. Language was added to clarify that paired data from the Closing the Gaps domain are used for School Improvement identification. The phrase "charter school campuses" was removed and replaced with "all" at adoption on page 85 to clarify AEA pairing rules. Language was added at adoption on page 87 to specify that adult charter high schools authorized under TEC, Chapter 12, Subchapter G, are rated using the performance framework adopted specifically for these schools. A correction was made at adoption on page 89, updating "Closing the Gaps School Progress Domain" to "School Progress Domain."

Chapter 8 describes the process for appealing ratings. Language was added to clarify that campuses cannot appeal identification for comprehensive, targeted, or additional targeted support interventions, but a granted Closing the Gaps appeal can update identification. Additionally, new language for Local Accountability System (LAS) appeals was introduced, effective in 2027, along with clarifications on general considerations and the appeals submission process. Based on public comment, clarification was added at adoption on page 95 to specify acceptable formats for superintendent signatures and the minimum requirements for letterhead.

Chapter 9 describes the responsibilities of TEA, the responsibilities of school districts and open-enrollment charter schools, and the consequences to school districts and open-enrollment charter schools related to accountability and interventions. Language was added to move the campus number request deadline from September 1 to May 31 in alignment with anticipated changes to 19 TAC §97.1066. Language was added at adoption on page 102 to address the responsibilities and consequences for adult charter high schools in TEC, §12.262. Language was also added at adoption on pages 102-103 to clarify campus closure requirements and county-district-campus number (CDCN) reassignment, aligning with anticipated changes to §97.1066.

Chapter 12 describes the RDA system. HB 6, 89th Texas Legislature, Regular Session, 2025 changes were implemented, including the removal of performance level (PL) assignments for discipline indicators and the exclusion of those indicators from determination-level calculations. The federally required significant disproportionality risk ratio threshold has been adjusted from 2.5 to 3.0. Additionally, indicator names were fully updated in accordance with the requirements of the prior 2026 chapter, including revised terminology to "Alternative Methods." Based on public comment, language was added at adoption on page 114 to provide for inclusion of PLs for special education discipline as report only measures. Clarifying edits were made at adoption on pages 115 and 131 to ensure consistent use of the terms "bilingual education" and "bilingual program."

Responses to public comment

Comment: TXCSA and TSA requested that the proposed statement describing the English II growth calculations be revised to specify whether a student's growth should be determined using the prior year's Grade 8 STAAR® assessment to English I end-of-course (EOC) assessment and/or the current year English I to English II EOC assessment in cases when a student takes English I and II during the same school year.

Response: The agency agrees and has made a clarifying edit in Chapter 3 on page 30 to specify that when a student completes English I and English II within the same year, only the English I to English II growth measure will be used to measure academic growth, not a prior year STAAR® assessment.

Comment: TXCSA and TSA requested clarification regarding acceptable forms of superintendent signatures and minimum requirements for letterhead.

Response: The agency agrees that clarification is needed and has made an edit in Chapter 8 on page 95 to indicate that a digital signature can be accepted on official district or charter school letterhead.

Comment: TXCSA, TSA, and Disability Rights Texas recommended continuing to report PLs for special education discipline as report-only measures.

Response: The agency agrees and has added a clarifying edit in Chapter 12 on page 115 to provide for inclusion of PLs for special education discipline as report-only measures.

TRD-202601298
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Filed: March 18, 2026

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Proposed Texas Individuals with Disabilities Education Improvement Act of 2004 (IDEA) Eligibility Document: State Policies and Procedures

Purpose and Scope of the Part B Federal Fiscal Year (FFY) 2026 State Application and its Relation to Part B of the Individuals with Disabilities Education Improvement Act of 2004 (IDEA Part B). The Texas Education Agency (TEA) is inviting public comment on its Proposed State Application under IDEA Part B. The annual grant application provides assurances that the state's policies and procedures in effect are consistent with the federal requirements to ensure that a free appropriate public education is made available to all children with a disability from 3 to 21 years of age, including children who have been suspended or expelled from school. 34 Code of Federal Regulations, §300.165, requires that states conduct public hearings, ensure adequate notice of those hearings, and provide an opportunity for public comment, including comment from individuals with disabilities and parents of children with disabilities, before adopting policies and procedures.

Availability of the State Application. The Proposed State Application is available on the TEA website at https://tea.texas.gov/academics/special-student-populations/special-education/programs-and-services/an-

nual-state-application-under-idea-part-b-and-idea-eligibility-documentation. The Proposed State Application was publicly posted on the website beginning March 20, 2026.

Instructions for submitting public comments are available from the same site. The Proposed State Application will also be available at the 20 regional education service centers and at the TEA Library (Ground Floor, Room G-102), William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701. Parties interested in reviewing the Proposed State Application at the William B. Travis location should contact the TEA Office of Special Populations & Student Supports at (512) 463-9414.

Procedures for Submitting Written Comments. TEA will accept written comments pertaining to the Proposed State Application by mail to TEA, Office of Special Populations & Student Supports, 1701 North Congress Avenue, Austin, Texas 78701-1494 or by email to spedrule@tea.texas.gov.

Participation in Public Hearings. TEA will provide individuals with opportunities to testify on the Proposed State Application and the state's policies and procedures for implementing IDEA Part B on April 9, 2026, and April 10, 2026, between 9:00 a.m. and 12:00 p.m. remotely via Zoom Meeting at the following links: April 9 https://us02web.zoom.us/j/83080144333; April 10 https://us02web.zoom.us/j/83080144333. The public is invited to make comments at one or both meetings. Parties interested in testifying are encouraged to also include written testimony. Public hearing information is available on the TEA website at https://tea.texas.gov/academics/special-student-populations/special-education/programs-and-services/annual-state-application-under-idea-part-b-and-idea-eligibility-documentation.

Timetable for Submitting the State Application. After review and consideration of all public comments, TEA will make necessary or appropriate modifications and will submit the State Application to the U.S. Department of Education on or before May 20, 2026.

For more information, contact the TEA Office of Special Populations & Student Supports by mail at 1701 North Congress Avenue, Austin, Texas 78701; by telephone at (512) 463-9414; by fax at (512) 463-9560; or by email at spedrule@tea.texas.gov.

Issued in Austin, Texas, on March 18, 2026.

TRD-202601299
Cristina De La Fuente-Valadez
Director, Rulemaking
Texas Education Agency
Filed: March 18, 2026

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Texas Commission on Environmental Quality

Agreed Orders

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) staff is providing an opportunity for written public comment on the listed Agreed Orders (AOs) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075 requires that before the commission may approve the AOs, the commission shall allow the public an opportunity to submit written comments on the proposed AOs. TWC, §7.075 requires that notice of the proposed orders and the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **April 27, 2026**. TWC, §7.075 also requires that the commission promptly consider any written comments received and that the commission may withdraw or withhold approval of an AO if a comment discloses facts or considerations that indicate that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed AO is not required to be published if those changes are made in response to written comments.

A physical copy of each proposed AO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building C, 1st Floor, Austin, Texas 78753, (512) 239-2545 and at the applicable regional office listed as follows. Additionally, copies of the proposed AO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed AO's identifying information, such as its docket number. Written comments about an AO should be sent to the enforcement coordinator designated for each AO at the commission's central office at Enforcement Division, MC 128, P.O. Box 13087, Austin, Texas 78711-3087 and must be postmarked by 5:00 p.m. on **April 27, 2026**. Written comments may also be sent to the enforcement coordinator by email to ENFCOMNT@tceq.texas.gov or by facsimile machine at (512) 239-2550. The commission enforcement coordinators are available to discuss the AOs and/or the comment procedure at the listed contact information; however, TWC, §7.075 provides that comments on the AOs shall be submitted to the commission in writing.

(1) COMPANY: Arcanum Infrastructure, LLC; DOCKET NUMBER: 2025-1537-OSS-E; IDENTIFIER: RN110461415; LOCATION: Baytown, Harris County; TYPE OF FACILITY: on-site sewage facility; PENALTY: $6,625; ENFORCEMENT COORDINATOR: Harley Hobson, (512) 239-1337; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(2) COMPANY: Brownsville Navigation District; DOCKET NUMBER: 2025-0193-MWD-E; IDENTIFIER: RN102077674; LOCATION: Brownsville, Cameron County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $16,250; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $13,000; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(3) COMPANY: Buena Vista Water Supply Corporation; DOCKET NUMBER: 2025-0946-PWS-E; IDENTIFIER: RN101191542; LOCATION: Timpson, Shelby County; TYPE OF FACILITY: public water supply; PENALTY: $2,725; ENFORCEMENT COORDINATOR: Anjali Talpallikar, (512) 239-2507; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(4) COMPANY: CML EXPLORATION, LLC; DOCKET NUMBER: 2026-0231-WR-E; IDENTIFIER: RN112340526; LOCATION: Carrizo Springs, Dimmit County; TYPE OF FACILITY: operator; PENALTY: $875; ENFORCEMENT COORDINATOR: Madison Travis, (512) 239-4687; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(5) COMPANY: CMR Energy, L.P.; DOCKET NUMBER: 2025-1839-IWD-E; IDENTIFIER: RN110712528; LOCATION: Eagle Pass, Maverick County; TYPE OF FACILITY: industrial produced water treatment facility; PENALTY: $54,250; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(6) COMPANY: CRANE CO.; DOCKET NUMBER: 2025-0837-MWD-E; IDENTIFIER: RN102180288; LOCATION: Houston, Montgomery County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $7,640; ENFORCEMENT COORDINATOR: Monica Larina, (512) 239-2545; REGIONAL OFFICE: 500 North Shoreline Boulevard, Suite 500, Corpus Christi, Texas 78401, REGION 14 - CORPUS CHRISTI.

(7) COMPANY: Christian Tabernacle of Houston, Inc.; DOCKET NUMBER: 2025-1192-MWD-E; IDENTIFIER: RN106406879; LOCATION: Houston, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $4,500; ENFORCEMENT COORDINATOR: Madison Crawford, (512) 239-4603; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(8) COMPANY: City of Jamaica Beach; DOCKET NUMBER: 2024-1447-MWD-E; IDENTIFIER: RN102095684; LOCATION: Jamaica Beach, Galveston County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $32,812; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $32,812; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(9) COMPANY: City of Milford; DOCKET NUMBER: 2025-1409-MWD-E; IDENTIFIER: RN102080934; LOCATION: Milford, Ellis County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $10,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $8,400; ENFORCEMENT COORDINATOR: Madison Crawford, 512-239-4603; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(10) COMPANY: City of Penelope; DOCKET NUMBER: 2022-0252-MWD-E; IDENTIFIER: RN101523066; LOCATION: Penelope, Hill County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $22,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $18,000; ENFORCEMENT COORDINATOR: Derek Osborn, (512) 239-0353; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(11) COMPANY: City of Ranger; DOCKET NUMBER: 2023-1748-PWS-E; IDENTIFIER: RN101454841; LOCATION: Ranger, Eastland County; TYPE OF FACILITY: public water supply; PENALTY: $3,058; ENFORCEMENT COORDINATOR: Kaisie Hubschmitt, (512) 239-1482; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(12) COMPANY: ETC Gas Processing, LLC; DOCKET NUMBER: 2025-0435-AIR-E; IDENTIFIER: RN108934076; LOCATION: Big Spring, Howard County; TYPE OF FACILITY: compressor station; PENALTY: $12,688; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(13) COMPANY: ExxonMobil Oil Corporation; DOCKET NUMBER: 2022-0656-AIR-E; IDENTIFIER: RN100542844; LOCATION: Beaumont, Jefferson County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $28,200; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $14,100; ENFORCEMENT COORDINATOR: Raven Daigle, (713) 767-3634; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(14) COMPANY: ExxonMobil Oil Corporation; DOCKET NUMBER: 2024-1015-AIR-E; IDENTIFIER: RN100542844; LOCATION: Beaumont, Jefferson County; TYPE OF FACILITY: chemical manufacturing plant; PENALTY: $14,175; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $7,087; ENFORCEMENT COORDINATOR: Raven Daigle, (713) 767-3634; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(15) COMPANY: Fallbrook Utility District; DOCKET NUMBER: 2025-1232-MWD-E; IDENTIFIER: RN102333861; LOCATION: Houston, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $32,625; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $26,100; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(16) COMPANY: Harris County Municipal Utility District No. 432; DOCKET NUMBER: 2025-1067-MWD-E; IDENTIFIER: RN104518303; LOCATION: Katy, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $8,364; ENFORCEMENT COORDINATOR: Harley Hobson, (512) 239-1337; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(17) COMPANY: Harris County Water Control and Improvement District No. 84; DOCKET NUMBER: 2022-1687-MWD-E; IDENTIFIER: RN101527992; LOCATION: Channelview, Harris County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $106,375; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $106,375; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(18) COMPANY: Jamie Beck; DOCKET NUMBER: 2026-0030-OSI-E; IDENTIFIER: RN112325089; LOCATION: Silsbee, Hardin County; TYPE OF FACILITY: general contractor business; PENALTY: $1,000; ENFORCEMENT COORDINATOR: Amy Lane, (512) 239-2614; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(19) COMPANY: Kinder Morgan Crude & Condensate LLC; DOCKET NUMBER: 2022-1254-AIR-E; IDENTIFIER: RN108071325; LOCATION: Galena Park, Harris County; TYPE OF FACILITY: bulk materials storage facility; PENALTY: $213,625; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $85,450; ENFORCEMENT COORDINATOR: Bethany Batchelor, (713) 767-3586; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(20) COMPANY: King Cottle Water Supply Corporation; DOCKET NUMBER: 2025-0226-PWS-E; IDENTIFIER: RN101458602; LOCATION: Paducah, Cottle County; TYPE OF FACILITY: public water supply; PENALTY: $6,425; ENFORCEMENT COORDINATOR: Emerson Rinewalt, (512) 239-1131; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(21) COMPANY: LCY Elastomers LP; DOCKET NUMBER: 2025-0780-IWD-E; IDENTIFIER: RN102325974; LOCATION: Baytown, Harris County; TYPE OF FACILITY: synthetic rubber manufacturing facility; PENALTY: $58,175; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $29,087; ENFORCEMENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(22) COMPANY: Love's Travel Stops & Country Stores, Inc.; DOCKET NUMBER: 2025-1333-MLM-E; IDENTIFIER: RN102452539; LOCATION: Amarillo, Potter County; TYPE OF FACILITY: fueling station; PENALTY: $79,639; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $39,819; ENFORCE-

MENT COORDINATOR: Samantha Smith, (512) 239-2099; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(23) COMPANY: Nanak Express LLC; DOCKET NUMBER: 2024-1485-PST-E; IDENTIFIER: RN101907780; LOCATION: Leming, Atascosa County; TYPE OF FACILITY: convenience store with retail sales of gasoline; PENALTY: $9,000; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(24) COMPANY: Nico Investment Properties, L.L.C.; DOCKET NUMBER: 2026-0249-WR-E; IDENTIFIER: RN102073566; LOCATION: Los Ebanos, Hidalgo County; TYPE OF FACILITY: operator; PENALTY: $200; ENFORCEMENT COORDINATOR: Amy Lane, (512) 239-2614; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(25) COMPANY: North Texas Municipal Water District; DOCKET NUMBER: 2025-0034-AIR-E; IDENTIFIER: RN101308781; LOCATION: Melissa, Collin County; TYPE OF FACILITY: landfill; PENALTY: $12,500; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $10,000; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(26) COMPANY: Quadvest, L.P.; DOCKET NUMBER: 2025-1751-MWD-E; IDENTIFIER: RN106840390; LOCATION: Katy, Waller County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $52,312; ENFORCEMENT COORDINATOR: Kolby Farren, (512) 239-2098; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(27) COMPANY: RaceTrac, Inc.; DOCKET NUMBER: 2024-1909-PST-E; IDENTIFIER: RN105373591; LOCATION: Denton, Denton County; TYPE OF FACILITY: operator; PENALTY: $5,250; ENFORCEMENT COORDINATOR: Rachel Murray, (903) 535-5149; REGIONAL OFFICE: 2916 Teague Drive, Tyler, Texas 75701-3734, REGION 5 - TYLER.

(28) COMPANY: S & S 786 LLC; DOCKET NUMBER: 2025-1205-PST-E; IDENTIFIER: RN110444361; LOCATION: Lufkin, Angelina County; TYPE OF FACILITY: fuel dispensing facility; PENALTY: $5,381; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(29) COMPANY: Somerset Independent School District; DOCKET NUMBER: 2025-0835-MWD-E; IDENTIFIER: RN106212855; LOCATION: Somerset, Bexar County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $6,750; ENFORCEMENT COORDINATOR: Amy Lane, (512) 239-2614; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(30) COMPANY: Stonetown Woodgate, LLC; DOCKET NUMBER: 2025-1394-PWS-E; IDENTIFIER: RN101263424; LOCATION: Houston, Harris County; TYPE OF FACILITY: public water supply; PENALTY: $700; ENFORCEMENT COORDINATOR: Tessa Bond, (512) 239-1269; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(31) COMPANY: TAS Environmental Services, L.P.; DOCKET NUMBER: 2025-1744-IHW-E; IDENTIFIER: RN104814884; LOCATION: Ennis, Ellis County; TYPE OF FACILITY: hazardous waste and used oil transporter facility; PENALTY: $7,500; ENFORCEMENT COORDINATOR: Ramyia Wendt, (512) 239-2513; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(32) COMPANY: The Center for Pursuit; DOCKET NUMBER: 2025-1009-MWD-E; IDENTIFIER: RN102917069; LOCATION: Pattison, Waller County; TYPE OF FACILITY: wastewater treatment facility; PENALTY: $15,000; ENFORCEMENT COORDINATOR: Crawford Madison, (512) 239-2548; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(33) COMPANY: Undine Texas, LLC; DOCKET NUMBER: 2025-1311-PWS-E; IDENTIFIER: RN101231975; LOCATION: Houston, Harris County; TYPE OF FACILITY: public water supply; PENALTY: $1,550; ENFORCEMENT COORDINATOR: Obianuju Iyasele, (512) 239-5280; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(34) COMPANY: Undine Texas, LLC; DOCKET NUMBER: 2025-1614-PWS-E; IDENTIFIER: RN109902817; LOCATION: Brazoria, Brazoria County; TYPE OF FACILITY: public water supply; PENALTY: $2,875; ENFORCEMENT COORDINATOR: Taner Hengst, (512) 239-1143; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(35) COMPANY: Union Tank Car Company; DOCKET NUMBER: 2024-0044-AIR-E; IDENTIFIER: RN100224575; LOCATION: Cleveland, Liberty County; TYPE OF FACILITY: railroad equipment and maintenance site; PENALTY: $90,250; ENFORCEMENT COORDINATOR: Casey Cobb, (512) 239-0351; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(36) COMPANY: Upton County; DOCKET NUMBER: 2025-0329-MSW-E; IDENTIFIER: RN102843687; LOCATION: Rankin, Upton County; TYPE OF FACILITY: Type IV-Arid exempt landfill; PENALTY: $17,550; ENFORCEMENT COORDINATOR: Elizabeth Vanderwerken, (512) 239-5900; REGIONAL OFFICE: 12100 Park 35 Circle, Austin, Texas 78753, CENTRAL OFFICE - AUSTIN.

(37) COMPANY: Valero Refining-Texas, L.P.; DOCKET NUMBER: 2022-1124-AIR-E; IDENTIFIER: RN100211663; LOCATION: Corpus Christi, Nueces County; TYPE OF FACILITY: petroleum refinery; PENALTY: $381,730; SUPPLEMENTAL ENVIRONMENTAL PROJECT OFFSET: $152,692; ENFORCEMENT COORDINATOR: Kadrienn Woodard, (713) 767-3602; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

(38) COMPANY: Weston Water Supply Corporation; DOCKET NUMBER: 2025-1195-PWS-E; IDENTIFIER: RN101452472; LOCATION: Weston, Collin County; TYPE OF FACILITY: public water supply; PENALTY: $2,140; ENFORCEMENT COORDINATOR: Ilia Perez Ramirez, (512) 239-2556; REGIONAL OFFICE: 5425 Polk Street, Suite H, Houston, Texas 77023-1452, REGION 12 - HOUSTON.

TRD-202601275
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: March 17, 2026

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Correction of Error

In the March 13, 2026, issue of the *Texas Register* (51 TexReg 1699), the Texas Commission on Environmental Quality (TCEQ or commission) adopted amendments to 30 Texas Administrative Code §116.605.

Due to a publication error by TCEQ, in the public comment section, there was a typo in COMMENT 1 when referencing a public comment quote on page 1701. The error is as submitted by the commission.

The full quote should read:

"Senator Alvarado commented that "[U]nder prior agency rules, TCEQ possessed broad discretion to require a permit holder seeking a construction extension to update their permit based on the best available control technology and the lowest achievable emission rate. However, that discretion stemmed solely from agency rules, not statute, and was rarely exercised. Senate Bill (SB) 2351 codifies this authority in state law and provides clear legislative direction by *authorizing* TCEQ to require a permit holder requesting an extension to comply with the most recent version or amendment of the standard air permit. With this discretionary authority, I urge TCEQ to amend the proposed rules to state that the TCEQ must require facilities to meet new permit conditions if there are delays in construction.

Specifically, proposed rule 30 Texas Administrative Code (TAC) §116.605(f) should read as follows:

(f) When standard permits issued under THSC, §382.05195 and §382.05198 are amended, the commission **shall** require each facility operator authorized to begin new construction of permanent concrete batch plants that perform wet batching, dry batching or central mixing under the former standard permit to update the facility's plan for the new construction in accordance with the amended standard permit if the facility operator:

Requiring each facility to operate under updated standard permit requirements after a delay in construction is fully compliant with the legislature's intent as passed in SB 2351."

TRD-202601312
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: March 18, 2026

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Notice of a Public Meeting and a Proposed Renewal with Amendment of General Permit TXG110000 Authorizing the Discharge of Wastewater

The Texas Commission on Environmental Quality (TCEQ or commission) is proposing to renew and amend Texas Pollutant Discharge Elimination System General Permit TXG110000. This general permit authorizes discharges of facility wastewater and stormwater associated with industrial activities into or adjacent to water in the state from ready-mixed concrete plants, concrete products plants, and their associated facilities (Standard Industrial Classification (SIC) Codes 3271, 3272, and 3273). The draft general permit applies to the entire state of Texas. General permits are authorized by Texas Water Code, §26.040.

Draft General Permit. The executive director has prepared a draft general permit renewal with amendments of an existing general permit that authorizes discharges of facility wastewater and stormwater associated with industrial activities from ready-mixed concrete plants, concrete products plants, and their associated facilities into or adjacent to waters of the United States. No significant degradation of high quality waters is expected and existing uses will be maintained and protected. The executive director proposes to require regulated entities to submit a Notice of Intent to obtain authorization to discharge under the general permit.

The executive director has reviewed this action for consistency with the goals and policies of the Texas Coastal Management Program (CMP) according to General Land Office regulations and has determined that the action is consistent with applicable CMP goals and policies.

On the date that this notice is published, a copy of the draft general permit and fact sheet will be available for a minimum of 30 days for viewing and copying at the TCEQ Office of the Chief Clerk located at the TCEQ Austin office, at 12100 Park 35 Circle, Building F. These documents will also be available at the TCEQ's 16 regional offices and on the TCEQ website at *https://www.tceq.texas.gov/permitting/wastewater/general/index.html*.

Public Comment and Public Meeting. You may submit public comments on this proposed general permit in writing or orally at the public meeting to be held by the TCEQ. The purpose of a public meeting is to provide the opportunity to submit written or oral comment or to ask questions about the draft general permit. A public meeting is not a contested case hearing.

The hybrid in-person and virtual public meeting will be held at 9:30 a.m., April 27, 2026 in TCEQ's complex at 12100 Park 35 Circle, Building E, Room 201S, Austin, Texas 78753.

Information for registering and attending the public meeting virtually is available at *https://www.tceq.texas.gov/permitting/wastewater/general/index.html*.

Written public comments must be received by the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at *https://www14.tceq.texas.gov/epic/eComment/* **within 30 days from the date this notice is published.**

Alternative Language Notice. Alternative language notice in Spanish is available at *https://www.tceq.texas.gov/permitting/wastewater/general/index.html*. El aviso de idioma alternativo en español está disponible en *https://www.tceq.texas.gov/permitting/wastewater/general/index.html.*

Approval Process. After the comment period, the executive director will consider all the public comments and prepare a written response. The response will be filed with the TCEQ Office of the Chief Clerk at least 10 days before the scheduled commission meeting when the commission will consider approval of the general permit. The commission will consider all public comments in making its decision and will either adopt the executive director's response or prepare its own response. The commission will issue its written response on the general permit at the same time the commission issues or denies the general permit. A copy of any issued general permit and response to comments will be made available to the public for inspection at the agency's Austin office. A notice of the commissioners' action on the draft general permit and information on how to access the response to comments will be mailed to each person who submitted a comment. Also, a notice of the commission's action on the draft general permit and the text of its response to comments will be published in the *Texas Register*.

Mailing Lists. In addition to submitting public comments, you may ask to be placed on a mailing list to receive future public notices mailed by the TCEQ Office of the Chief Clerk. You may request to be added to: 1) the mailing list for this specific general permit; 2) the permanent mailing list for a specific county; or 3) both. Clearly specify the mailing lists to which you wish to be added and send your request to the TCEQ Office of the Chief Clerk at the address previously mentioned. Unless you otherwise specify, you will be included only on the mailing list for this specific general permit.

Information. If you need more information about this general permit or the permitting process, please call the TCEQ Public Education Program, toll free, at 1 (800) 687-4040. General information about the TCEQ can be found at our website at: *https://www.tceq.texas.gov*.

Persons with disabilities who need special accommodations at the public meeting should call the Office of the Chief Clerk at (512) 239-3300 or 1-800-RELAY-TX (TDD) at least one week prior to the meeting.

Further information may also be obtained by calling Mike Aplin, TCEQ Water Quality Division, at (512) 239-4314.

Si desea información en español, puede llamar 1 (800) 687-4040.

TRD-202601218
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: March 13, 2026

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Notice of District Petition - D-01052026-002

Notice issued March 17, 2026

TCEQ Internal Control No. D-01052026-002: KL LB Buy 3 LLC, a Delaware limited liability company, (Petitioner) filed a petition for creation of Montgomery County Municipal Utility District No. 254 (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ. The petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there are no lienholders on the property to be included in the proposed District; (3) the proposed District will contain approximately 101.33 acres located within Montgomery County, Texas; and (4) none of the land within the proposed District is within the corporate limits or extraterritorial jurisdiction of any city. The petition further states that the proposed District will: (1) purchase, construct, acquire, maintain, own, operate, repair, improve, and extend a waterworks and wastewater system for residential and commercial purposes; (2) construct, acquire, improve, extend, maintain, and operate works, improvements, facilities, plants, equipment, and appliances, helpful or necessary to provide more adequate drainage for the proposed District; (3) control, abate, and amend local storm waters or other harmful excesses of waters; and (4) purchase, construct, acquire, improve, maintain, and operate such additional facilities, systems, plants, and enterprises, road facilities, and park and recreational facilities as shall be consistent with all of the purposes for which the proposed District is created. According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioner that the cost of said project will be approximately $32,545,000 ($23,830,000 for water, wastewater, and drainage plus $3,515,000 for recreation plus $5,200,000 for roads).

INFORMATION SECTION

To view the complete issued notice, view the notice on our website at www.tceq.texas.gov/agency/cc/pub_notice.html or call the Office of the Chief Clerk at (512) 239-3300 to obtain a copy of the complete notice. When searching the website, type in the issued date range shown at the top of this document to obtain search results. The TCEQ may grant a contested case hearing on the petition if a written hearing request is filed within 30 days after the newspaper publication of the notice. To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below. The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team, at (512) 239-4691. Si desea información en español, puede llamar al (512) 239-0200. General information regarding TCEQ can be found at our website at www.tceq.texas.gov.

TRD-202601283
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: March 17, 2026

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Notice of Opportunity to Comment on a Default Order of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Default Order (DO). The commission staff proposes a DO when the staff has sent the Executive Director's Preliminary Report and Petition (EDPRP) to an entity outlining the alleged violations; the proposed penalty; the proposed technical requirements necessary to bring the entity back into compliance; and the entity fails to request a hearing on the matter within 20 days of its receipt of the EDPRP or requests a hearing and fails to participate at the hearing. Similar to the procedure followed with respect to Agreed Orders entered into by the Executive Director of the commission, in accordance with Texas Water Code (TWC), §7.075, this notice of the proposed order and the opportunity to comment is published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **April 27, 2026**. The commission will consider any written comments received, and the commission may withdraw or withhold approval of a DO if a comment discloses facts or considerations that indicate that consent to the proposed DO is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction, or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed DO is not required to be published if those changes are made in response to written comments.

A copy of the proposed DO is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 and at the applicable regional office listed as follows. Additionally, copies of the DO can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed DO's identifying information, such as its docket number. Written comments about the DO should be sent to the attorney designated for the DO at the

commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on April 27, 2026**. The commission's attorneys are available to discuss the DO and/or the comment procedure at the listed phone number; however, TWC, §7.075, provides that comments on the DO shall be submitted to the commission in **writing**.

(1) COMPANY: S.R.R. INVESTMENTS, INC.; DOCKET NUMBER: 2023-1725-PST-E; TCEQ ID NUMBER: RN101488880; LOCATION: 13912 Farm to Market Road 812 in Del Valle, Travis County; TYPE OF FACILITY: temporarily out-of-service underground storage tank system; PENALTY: $6,565; STAFF ATTORNEY: Marilyn Norrod, Litigation, MC 175, (512) 239-5916; REGIONAL OFFICE: Austin Regional Office, 12100 Park 35 Circle, Building A, Room 179, Austin, Texas 78753, (512) 339-2929.

TRD-202601290
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: March 18, 2026

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Notice of Opportunity to Comment on Agreed Orders of Administrative Enforcement Actions

The Texas Commission on Environmental Quality (TCEQ or commission) staff is providing an opportunity for written public comment on the listed Agreed Orders (AOs) in accordance with Texas Water Code (TWC), §7.075. TWC, §7.075, requires that before the commission may approve the AOs, the commission shall allow the public an opportunity to submit written comments on the proposed AOs. TWC, §7.075, requires that notice of the opportunity to comment must be published in the *Texas Register* no later than the 30th day before the date on which the public comment period closes, which in this case is **April 27, 2026**. TWC, §7.075, also requires that the commission promptly consider any written comments received and that the commission may withdraw or withhold approval of an AO if a comment discloses facts or considerations that indicate that consent is inappropriate, improper, inadequate, or inconsistent with the requirements of the statutes and rules within the commission's jurisdiction or the commission's orders and permits issued in accordance with the commission's regulatory authority. Additional notice of changes to a proposed AO is not required to be published if those changes are made in response to written comments.

A physical copy of the proposed AOs is available for public inspection at both the commission's central office, located at 12100 Park 35 Circle, Building A, 3rd Floor, Austin, Texas 78753, (512) 239-3400 and at the applicable regional office listed as follows. Additionally, copies of the proposed AOs can be found online by using either the Chief Clerk's eFiling System at https://www.tceq.texas.gov/goto/efilings or the TCEQ Commissioners' Integrated Database at https://www.tceq.texas.gov/goto/cid, and searching either of those databases with the proposed AO's identifying information, such as its docket number. Written comments about an AO should be sent to the attorney designated for the AO at the commission's central office at P.O. Box 13087, MC 175, Austin, Texas 78711-3087 and must be **received by 5:00 p.m. on April 27, 2026**. The designated attorneys are available to discuss the AOs and/or the comment procedure at the listed phone numbers; however, TWC, §7.075, provides that comments on an AO shall be submitted to the commission in **writing**.

(1) COMPANY: City of Alto; DOCKET NUMBER: 2021-0142-PWS-E; TCEQ ID NUMBER: RN101178614; LOCATION: 404 West San Antonio Road in Alto, Cherokee County; TYPE OF FACILITY: public water system; PENALTY: $3,937; STAFF ATTORNEY: David Keagle, Litigation, MC 175, (512) 239-3923; REGIONAL OFFICE: Tyler Regional Office, 2916 Teague Drive, Tyler, Texas 75701-3734, (903) 535-5100.

(2) COMPANY: D & D Dawson Enterprises L.L.C.; DOCKET NUMBER: 2024-1146-AIR-E; TCEQ ID NUMBER: RN111186193; LOCATION: approximately 434 feet northeast from the intersection of County Road Y and Farm-to-Market Road 400 near Wilson, Lynn County; TYPE OF FACILITY: an oil and gas production tank battery; PENALTY: $2,250; STAFF ATTORNEY: Jennifer Peltier, Litigation, MC 175, (512) 239-0544; REGIONAL OFFICE: Lubbock Regional Office, 5012 50th Street, Suite 100, Lubbock, Texas 79414-3426, (806) 796-7092.

(3) COMPANY: D & D Dawson Enterprises L.L.C.; DOCKET NUMBER: 2024-1179-AIR-E; TCEQ ID NUMBER: RN111186177; LOCATION: from the intersection of Farm-to-Market Road 211 and Farm-to-Market Road 400 in Wilson, go 0.76 miles northeast on Farm-to-Market Road 400, turn north on County Road Y and go 0.08 miles in Wilson, Lynn County; TYPE OF FACILITY: an oil and gas production battery; PENALTY: $2,250; STAFF ATTORNEY: Jennifer Peltier, Litigation, MC 175, (512) 239-0544; REGIONAL OFFICE: Lubbock Regional Office, 5012 50th Street, Suite 100, Lubbock, Texas 79414-3426, (806) 796-7092.

(4) COMPANY: Elvira Zavala-Patton; DOCKET NUMBER: 2022-0333-MSW-E; TCEQ ID NUMBER: RN110860616; LOCATION: 6998 Tunisia Street in Clint, El Paso County; TYPE OF FACILITY: an unauthorized municipal solid waste disposal site; PENALTY: $18,000; STAFF ATTORNEY: William Hogan, Litigation, MC 175, (512) 239-5918; REGIONAL OFFICE: El Paso Regional Office, 401 East Franklin Avenue, Suite 560, El Paso, Texas 79901-1212, (915) 834-4949.

(5) COMPANY: Fred Boston; DOCKET NUMBER: 2024-0720-MSW-E; TCEQ ID NUMBER: RN109267567; LOCATION: 7721 Bluebonnet Avenue in San Angelo, Tom Green County; TYPE OF FACILITY: unauthorized municipal solid waste site; PENALTY: $675; STAFF ATTORNEY: Casey Kurnath, Litigation, MC 175, (512) 239-5932; REGIONAL OFFICE: San Angelo Regional Office, 622 South Oakes, Suite K, San Angelo, Texas 76903-7035, (325) 655-9479.

TRD-202601289
Gitanjali Yadav
Deputy Director, Litigation Division
Texas Commission on Environmental Quality
Filed: March 18, 2026

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Notice of Public Hearing on Proposed Revisions to 30 TAC Chapter 37 and Chapter 328

The Texas Commission on Environmental Quality (commission) will conduct a public hearing to receive testimony regarding proposed revisions to 30 Texas Administrative Code (TAC) Chapter 37 Section 37.931, Financial Assurance; and new Sections 328.401, 328.411, 328.421, 328.431, 328.441, and 328.451 of 30 TAC Chapter 328, Waste Minimization and Recycling.

The proposed rulemaking would implement House Bill 3229 from the 89th Legislature, 2025, Regular Session, relating to implementing reporting, recordkeeping, and financial assurance requirements for renewable energy component recycling facilities The rule would be proposed under the authority of Texas Health and Safety Code

§361.4215, which requires the commission to conduct rulemaking to identify third-party mass balance attribution certifications systems for renewable chemicals.

The commission will hold a hold a hybrid virtual and in-person public hearing on this proposal in Austin on April 23, 2026, at 10:00 a.m. in Building E, Conference Room E201S, at the commission's central office located at 12100 Park 35 Circle. The hearing is structured for the receipt of oral or written comments by interested persons. Individuals may present oral statements when called upon in order of registration. Open discussion will not be permitted during the hearing; however, commission staff members will be available to discuss the proposal 30 minutes prior to the hearing at 9:30 a.m.

Individuals who plan to attend the hearing virtually and want to provide oral comments and/or want their attendance on record must register by April 21, 2026. To register for the hearing, please email *Rules@tceq.texas.gov* and provide the following information: your name, your affiliation, your email address, your phone number, and whether or not you plan to provide oral comments during the hearing. Instructions for participating in the hearing will be sent on April 22, 2026, to those who register for the hearing.

For the public who do not wish to provide oral comments but would like to view the hearing may do so at no cost at:

https://events.teams.microsoft.com/event/3c2b83de-5109-4c02-9b48-680499d830cc@871a83a4-a1ce-4b7a-8156-3bcd93a08fba

Persons who have special communication or other accommodation needs who are planning to attend the hearing should contact Sandy Wong, Office of Legal Services at (512) 239-1802 or 1 (800) RELAY-TX (TDD). Requests should be made as far in advance as possible.

If you need translation services, please contact TCEQ at (800) 687-4040. Si desea información general en español, puede llamar al (800) 687-4040.

Written comments may be submitted to Vanessa Onyskow-Lang, MC 205, Office of Legal Services, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087, or faxed to *fax4808@tceq.texas.gov*. Electronic comments may be submitted at: *https://tceq.commentinput.com/*. File size restrictions may apply to comments being submitted via the TCEQ Public Comment system. All comments should reference Rule Project Number 2025-031-328-WS. The comment period closes at 11:59 p.m. on April 27, 2026. Copies of the proposed rulemaking can be obtained from the commission's website at *https://www.tceq.texas.gov/rules/propose_adopt.html*. For further information, please contact Jarita Sepulvado, Waste Permits Division, (512) 239-4413.

TRD-202601186
Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
Filed: March 13, 2026

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Notice of Public Meeting Air Quality Standard Permit for Concrete Batch Plants Proposed Registration No. 182311

Application. Heidelberg Materials Southwest, LLC, has applied to the Texas Commission on Environmental Quality (TCEQ) for an Air Quality Standard Permit, Registration No. 182311, which would authorize construction of a permanent concrete batch plant located at 11206C Gifford Hill Road, Houston, Harris County, Texas 77041. This application is being processed in an expedited manner, as allowed by the commission's rules in 30 Texas Administrative Code, Chapter 101, Subchapter J. **AVISO DE IDIOMA ALTERNATIVO.** El aviso de idioma alternativo en español está disponible en https://www.tceq.texas.gov/permitting/air/newsourcereview/air-permits-pendingpermit-apps. This link to an electronic map of the site or facility's general location is provided as a public courtesy and not part of the application or notice. For exact location, refer to application. https://gisweb.tceq.texas.gov/LocationMapper/?marker=-95.583033,29.871115&level=13. The proposed facility will emit the following air contaminants: particulate matter including (but not limited to) aggregate, cement, road dust, and particulate matter with diameters of 10 microns or less and 2.5 microns or less.

This application was submitted to the TCEQ on November 24, 2025. The executive director has completed the administrative and technical reviews of the application and determined that the application meets all of the requirements of a standard permit authorized by 30 TAC §116.611, which would establish the conditions under which the plant must operate. The executive director has made a preliminary decision to issue the registration because it meets all applicable rules.

Public Comment/Public Meeting. You may submit public comments to the Office of the Chief Clerk at the address below. The TCEQ will consider all public comments in developing a final decision on the application. A public meeting will be held and will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application, and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. At the conclusion of the comment period, all formal comments will be considered before a decision is reached on the permit application. A written response to all formal comments will be prepared by the executive director and will be sent to each person who submits a formal comment or who requested to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment Period can be considered if a contested case hearing is granted on this permit application.

The Public Meeting is to be held:

Tuesday, April 21, 2026 at 7:00 p.m.

Kirk Elementary School

CAFE 804 Room

12421 Tanner Road

Houston, Texas 77041

Information. Members of the public are encouraged to submit written comments anytime during the public meeting or by mail before the close of the public comment period to the Office of the Chief Clerk, TCEQ, Mail Code MC-105, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at https://www14.tceq.texas.gov/epic/eComment/. If you need more information about the permit application or the permitting process, please call the TCEQ Public Education Program, toll free, at (800) 687-4040. General information can be found at our website at www.tceq.texas.gov. *Si desea información en español, puede llamar al (800)-687-4040.*

Information Available Online. For details about the status of the application, visit the Commissioners' Integrated Database (CID) at www.tceq.texas.gov/goto/cid. Once you have access to the CID using the link, enter the permit number at the top of this form.

The application, executive director's preliminary decision, and standard permit will be available for viewing and copying at the TCEQ central office, the TCEQ Houston regional office, and at the Fairbanks Branch Library, 7122 Gessner Road, Houston, Harris County, Texas 77040. The facility's compliance file, if any exists, is available for public review at the TCEQ Houston Regional Office, 5425 Polk Street, Suite H, Houston, Texas. Visit www.tceq.texas.gov/goto/cbp to review the standard permit. The application, including any updates, is available electronically at the following webpage: https://www.tceq.texas.gov/permitting/air/airpermit-applications-notices.

Further information may also be obtained from Heidelberg Materials Southwest, LLC, 16155 Park Row Suite 120, Houston, Texas 77084-6971 or by calling Mr. Visham Seunarine, Area Environmental Manager at (281) 647-1154.

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or (800) RELAY-TX (TDD) at least five business days prior to the meeting.

Notice Issuance Date: March 17, 2026

TRD-202601284
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: March 17, 2026

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Notice of Public Meeting for TPDES Permit for Municipal Wastewater New Permit No. WQ0016494001

APPLICATION. Sigman Grafted LLC, 1659 West Highway 46, Suite 115, Box 525, New Braunfels, Texas 78132, has applied to the Texas Commission on Environmental Quality (TCEQ) for proposed Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0016494001 to authorize the discharge of treated domestic wastewater at a volume not to exceed 500,000 gallons per day. TCEQ received this application on February 28, 2024.

The facility will be located approximately 0.49 miles northeast of the intersection of San Marcos Highway and West Ridge Road, in Caldwell County, Texas 78655. The treated effluent will be discharged to Morrison Creek, thence to Lower San Marcos River in Segment No. 1808 of the Guadalupe River Basin. The unclassified receiving water use is limited aquatic life use for Morrison Creek. The designated uses for Segment No. 1808 are primary contact recreation, public water supply, and high aquatic life use. In accordance with 30 Texas Administrative Code §307.5 and TCEQ's *Procedures to Implement the Texas Surface Water Quality Standards* (June 2010), an antidegradation review of the receiving waters was performed. A Tier 1 antidegradation review has preliminarily determined that existing water quality uses will not be impaired by this permit action. Numerical and narrative criteria to protect existing uses will be maintained. This review has preliminarily determined that no water bodies with exceptional, high, or intermediate aquatic life uses are present within the stream reach assessed; therefore, no Tier 2 degradation determination is required. No significant degradation of water quality is expected in water bodies with exceptional, high, or intermediate aquatic life uses downstream, and existing uses will be maintained and protected. The preliminary determination can be reexamined and may be modified if new information is received. This link to an electronic map of the site or facility's general location is provided as a public courtesy and is not part of the application or notice. For the exact location, refer to the application. https://gisweb.tceq.texas.gov/LocationMapper/?marker=-97.81128,29.835431&level=18

The TCEQ Executive Director has reviewed this action for consistency with the Texas Coastal Management Program (CMP) goals and policies in accordance with the regulations of the Texas General Land Office and has determined that the action is consistent with the applicable CMP goals and policies.

The TCEQ Executive Director has completed the technical review of the application and prepared a draft permit. The draft permit, if approved, would establish the conditions under which the facility must operate. The Executive Director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements.

ALTERNATIVE LANGUAGE NOTICE. Alternative language notice in Spanish is available at https://www.tceq.texas.gov/permitting/wastewater/plain-language-summariesand-public-notices. El aviso de idioma alternativo en español está disponible en https://www.tceq.texas.gov/permitting/wastewater/plain-language-summaries-and-publicnotices.

PUBLIC COMMENT / PUBLIC MEETING. A public meeting will be held and will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. A written response to all timely, relevant and material, or significant comments will be prepared by the Executive Director. All formal comments will be considered before a decision is reached on the permit application. A copy of the written response will be sent to each person who submits a formal comment or who requested to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment Period can be considered if a contested case hearing is granted on this permit application.

The Public Meeting is to be held:

Monday, May 4, 2026, at 7:00 p.m.

Dr. Eugene Clark Library, Clark Building

217 S. Main Street

Lockhart, Texas 78644

INFORMATION. Members of the public are encouraged to submit written comments anytime during the meeting or by mail before the close of the public comment period to the Office of the Chief Clerk, TCEQ, Mail Code MC-105, P.O. Box 13087, Austin, Texas 78711-3087 or electronically at www.tceq.texas.gov/goto/comment. If you need more information about the permit application or the permitting process, please call the TCEQ Public Education Program, Toll Free, at (800) 687-4040. *Si desea información en español, puede llamar (800) 687-4040.* General information about the TCEQ can be found at our website at https://www.tceq.texas.gov.

The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at Mammen Family Public Library, 131 Bulverde Crossing, Bulverde, in Comal County, Texas. The application is also available at the following webpage: https://www.tceq.texas.gov/permitting/wastewater/pending-permits/tpdes-applications.

The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at Martindale Community Library, Public Viewing Table, 411 Main Street, Martindale, Texas. The application, including any updates, and associated notices are available electronically at the following webpage: https://www.tceq.texas.gov/permitting/wastewater/pending-permits/tpdes-applications.

Further information may also be obtained from Sigman Grafted LLC at the address stated above or by calling Ms. Lauren Crone, P.E., LJA Engineering, at (512) 439-4700.

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or (800) RELAY-TX (TDD) at least five business days prior to the meeting.

Issuance Date: March 18, 2026

TRD-202601300
Laurie Gharis
Chief Clerk
Texas Commission on Environmental Quality
Filed: March 18, 2026

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Request for Proposals RFP 303-7-20832 Brownsville, Harlingen, Raymondville, or Surrounding Area

The Texas Facilities Commission (TFC), on behalf of the Texas Department of Criminal Justice-Parole (TDCJ-Parole), announces the issuance of Request for Proposals (RFP) # 303-7-20832. TFC seeks a five (5) or ten (10) year lease of approximately 6,062 square feet of office space in Brownsville, Harlingen, Raymondville, or surrounding area, Texas.

The deadline for questions is April 7, 2026 and the deadline for proposals is April 28, 2026 at 3 p.m. The award date is August 20, 2026. TFC reserves the right to accept or reject any or all proposals submitted. TFC is under no legal or other obligation to execute a lease on the basis of this notice or the distribution of a RFP. Neither this notice nor the RFP commits TFC to pay for any costs incurred prior to the award of a grant.

Parties interested in submitting a proposal may obtain information by contacting Samantha De Leon at samantha.deleon@tfc.texas.gov. A copy of the RFP may be downloaded from the Electronic State Business Daily at https://www.txsmartbuy.gov/esbd/303-7-20832.

TRD-202601271
Amanda Brainard
State Leasing Services Director
Texas Facilities Commission
Filed: March 17, 2026

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General Land Office

Notice and Opportunity to Comment on Requests for Consistency Agreement/Concurrence Under the Texas Coastal Management Program

On January 10, 1997, the State of Texas received federal approval of the Coastal Management Program (CMP) (62 *Federal Register* pp. 1439 - 1440). Under federal law, federal agency activities and actions affecting the Texas coastal zone must be consistent with the CMP goals and policies identified in 31 TAC Chapter 26. Requests for federal consistency review were deemed administratively complete for the following project(s) during the period of March 2, 2026 to March 13, 2026. As required by federal law, the public is given an opportunity to comment on the consistency of proposed activities in the coastal zone undertaken or authorized by federal agencies. Pursuant to 31 TAC §§30.20(f), 30.30(h), and 30.40(e), the public comment period extends 30 days from the date published on the Texas General Land Office web site. The notice was published on the web site on Friday, March 20, 2026. The public comment period for this project will close at 5:00 p.m. on Sunday, April 19, 2026.

Federal License and Permit Activities:

Applicant: Port of Houston

Location: The project would affect waters of the United States and navigable waters of the United States associated with Bayport Ship Channel and the Galveston Bay. The project site is located within the Galveston Bay, immediately adjacent to the existing Bayport Terminal, 3.6 miles north of Seabrook, in Harris County Texas.

Latitude and Longitude: 29.611098 and Longitude -94.991033

Project Description: The overall project purpose is to modify the existing Bayport cruise terminal wharf into a container terminal wharf while conducting necessary dredging to achieve navigation safety and increased efficiency for current and larger container volumes. The applicant proposes to modify the existing authorization (SWG-1998-01818) to develop a container terminal wharf. A 77.3-acre area would be dredged to accommodate this request, of which 72.8 acres has been previously authorized. More specifically, the applicant requests authorization to construct the container wharf within the footprint of the existing cruise terminal wharf and modify the previously authorized turning basin to accommodate container vessels. The project proposes accomplishing the following items:

Modify the existing cruise terminal wharf by demolishing it, excavating the uplands, flooding the site, then dredging to construct an open wharf structure that will be 1,660-foot x 119.5-foot (4.6 acres).

Dredge 3.5 million cubic yards (MCY) from 77.3 acres to a depth of -50.5 foot. Dredging will be performed in three phases, where phase 1 and 2 would be implemented from 2028-2029, and phase 3 from 2032-2033.

Installation of a 12.8-acre (0.5 MCY) breakwater along the southern terminus of the expanded basin to improve operational safety under challenging weather conditions.

Placement of 3.5 MCY (total) in existing Placement Areas 14 and/or 15 (3.0 MCY) and for construction of the wave attenuation breakwater (0.5 MCY).

Potential oyster mitigation (Oyster survey in progress week of 2/9/2026).

Removal of abandoned utilities.

Removal of Mitigation Condition 23 from the most recent Corps permit authorization to allow pile driving for future wharf Construction. Mitigation Condition 23 specifically states "The great loads that must be supported by the wharf at the container terminal require a substantial foundation. The usual construction technique involves pile-driven supports. In order to eliminate this long-term noise source, the applicant will use drilled shafts for the container facility as an alternative".

Extension of bed leveling to incorporate the proposed modifications.

Overall permit expiration date extension to accommodate previously authorized work (that has yet to be implemented).

The applicant offered the following compensatory mitigation plan to offset unavoidable functional loss to the aquatic environment: Proposed 23 acres of oyster permittee responsible mitigation pending the ongoing oyster survey results. Impacts to open-water Galveston Bay are not being proposed for compensatory mitigation.

Type of Application: U.S. Army Corps of Engineers permit application # SWG-1998-01818. This application will be reviewed pursuant Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act. Note: The consistency review for this project may be conducted by Texas Commission on Environmental Quality as part of its certification under §401 of the Clean Water Act.

CMP Project No: 26-1097-F1

Further information on the applications listed above, including a copy of the consistency certifications or consistency determinations for inspection, may be obtained from the Texas General Land Office Public Information Officer at 1700 N. Congress Avenue, Austin, Texas 78701, or via email at pialegal@glo.texas.gov. Comments should be sent to the Texas General Land Office Coastal Management Program Coordinator at the above address or via email at federal.consistency@glo.texas.gov.

TRD-202601263
Jennifer Jones
Chief Clerk and Deputy Land Commissioner
General Land Office
Filed: March 16, 2026

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Office of the Governor

Notice of Available Funding Opportunities

The Public Safety Office is announcing the following funding opportunity for State Fiscal Year 2027. Details for this opportunity, including the open and close date for the solicitation, can be found on the eGrants Calendar (https://egrants.gov.texas.gov/fundingopp).

State Homeland Security Program: Supporting Border Crisis Response and Enforcement Projects (HSGP-BC) - The purpose of this announcement is to solicit applications for projects that support state and local efforts to prevent terrorism and targeted violence and prepare for the threats and hazards that pose the greatest risk to the security of Texas citizens. The Office of the Governor (OOG), Public Safety Office (PSO) provides funding to implement investments that build, sustain, and deliver the 32 core capabilities essential to achieving a secure and resilient state. Funding under this announcement will be awarded on a competitive basis for projects supporting the FEMA designated National Priority Area for Supporting Border Crisis Response and Enforcement.

TRD-202601281
Angie Martin
Director, Grants Administration Division
Office of the Governor
Filed: March 17, 2026

♦ ♦ ♦

Department of State Health Services

Legislative Appropriations Request (LAR) Notice of Public Hearing on 2028-2029 Biennium LAR

Date/Time:

Thursday, April 30, 2026

1:00 p.m.

Location:

Texas Department of State Health Services (DSHS)

Robert D. Moreton Building

Public Hearing Room M-100, First Floor

1100 West 49th Street

Austin, Texas 78756

This public hearing will be webcast. Members of the public may attend the public hearing in person at the address above or access a live stream of the public hearing at https://texashhsmeetings.org/HHSWebcast. Select the tab for Moreton M-100 Live on the date and time for this public hearing. Please e-mail Webcasting@hhsc.state.tx.us if you have any problems with the webcasting function.

Agenda

1. Welcome and call to order
2. Agency overview
3. Budget overview: 2028-2029 Biennium
4. Public comment
5. Closing remarks
6. Adjourn

DSHS will conduct a public hearing to receive input on public health program funding for the 2028-2029 biennium Legislative Appropriations Request. DSHS is seeking your ideas and recommendations for funding public health programs such as disease and injury prevention, public health data, maternal and child wellness, emergency preparedness and response, vital statistics, and health-related consumer protection.

Public Comment

Stakeholder input is a critical element of this process. DSHS will accept public comments at the Austin location in person and virtually. To provide time to all persons wishing to speak, DSHS will observe a three-minute time limit per speaker. Please include the following in your comments:

- Your name or the name of your organization and a contact person.

- A clear, concise description of the recommendation.

- What need would be addressed by this recommendation and the expected impact or benefit to the state or the people we serve.

Members of the public who would like to provide public comments may register at this link https://www.surveymonkey.com/share/12818997-114b-4c86-992a-6b3e34c7a696 and choose from the following options:

1. **Oral comments provided virtually**: Members of the public must pre-register to provide oral comments virtually during the public hearing by completing a Public Comment Registration form at https://www.surveymonkey.com/share/12818997-114b-4c86-992a-6b3e34c7a696 no later than 5:00 p.m., Monday, April 27, 2026. Please mark the correct box on the Public Comment Registration form and provide your name, either the organization you are representing or that you are speaking as a private citizen, and your direct phone number. If you have completed the Public Comment Registration form, you will

receive an email the day before the public hearing with instructions for providing virtual public comment. Oral comments are limited to three minutes. Each speaker providing oral public comments virtually must ensure their face is visible and their voice audible to the other participants while they are speaking. Each speaker must state their name and on whose behalf they are speaking (if anyone). If you pre-register to speak and wish to provide a handout before the public hearing, please submit an electronic copy in accessible PDF format that will be distributed to the appropriate DSHS staff. Handouts are limited to two pages (paper size: 8.5" by 11", one side only). Handouts must be emailed to DSHSPublicComments@dshs.texas.gov immediately after pre-registering, but no later than 5:00 p.m., Monday, April 27, 2026, and include the name of the person who will be commenting. Do not include health or other confidential information in your comments or handouts. DSHS staff will not read comments or handouts aloud during the public hearing.

2. **Oral comments provided in-person at the public hearing location**: Members of the public may provide oral public comments during the public hearing in person at the public hearing location by pre-registering online using the Public Comment Registration form at https://www.surveymonkey.com/share/12818997-114b-4c86-992a-6b3e34c7a696. Do not include health information or other confidential information in your comments or handouts..

3. **Written comments**: A member of the public who wishes to provide written public comments only must email the comments to DSHSPublicComments@dshs.texas.gov no later than 5:00 p.m., Monday, April 27, 2026. Please include your name and the organization you are representing or that you are commenting as a private citizen. Written comments are limited to two pages (paper size: 8.5" by 11", one side only). Do not include health or other confidential information in your comments. Staff will not read written comments aloud during the public hearing, but comments will be provided to the appropriate DSHS staff.

Note: These procedures may be revised at the discretion of DSHS.

Contact: Questions regarding agenda items, content, or public hearing arrangements should be directed to:

Mail: Department of State Health Services (DSHS)

Office of Compliance and System Coordination (OCSC)

P.O. Box 149347, Mail Code 1911, Austin, Texas 78714-9347

Or street address

1100 West 49th Street, Austin, Texas 78756

E-mail: DSHSPublicComments@dshs.texas.gov

Phone: (512) 776-6206

This forum is open to the public. No reservations are required, and there is no cost to attend. People with disabilities who wish to attend the public hearing and require auxiliary aids or services should call (512) 776-6206 at least 72 hours before the public hearing so appropriate arrangements can be made.

TRD-202601217
Molly Fudell
Deputy General Counsel
Department of State Health Services
Filed: March 13, 2026

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Licensing Actions for Radioactive Materials

LICENSING ACTIONS FOR RADIOACTIVE MATERIALS

During the second half of February 2026, the Department of State Health Services (Department) has taken actions regarding Licenses for the possession and use of radioactive materials as listed in the tables (in alphabetical order by location). The subheading "Location" indicates the city in which the radioactive material may be possessed and/or used. The location listing "Throughout TX [Texas]" indicates that the radioactive material may be used on a temporary basis at locations throughout the state.

In issuing new licenses and amending and renewing existing licenses, the Department's Radiation Section has determined that the applicant has complied with the licensing requirements in Title 25 Texas Administrative Code (TAC), Chapter 289, for the noted action. In granting termination of licenses, the Department has determined that the licensee has complied with the applicable decommissioning requirements of 25 TAC, Chapter 289. In granting exemptions to the licensing requirements of Chapter 289, the Department has determined that the exemption is not prohibited by law and will not result in a significant risk to public health and safety and the environment.

A person affected by the actions published in this notice may request a hearing within 30 days of the publication date. A "person affected" is defined as a person who demonstrates that the person has suffered or will suffer actual injury or economic damage and, if the person is not a local government, is (a) a resident of a county, or a county adjacent to the county, in which radioactive material is or will be located, or (b) doing business or has a legal interest in land in the county or adjacent county. 25 TAC §289.205(b)(15); Health and Safety Code §401.003(15). Requests must be made in writing and should contain the words "hearing request," the name and address of the person affected by the agency action, the name and license number of the entity that is the subject of the hearing request, a brief statement of how the person is affected by the action what the requestor seeks as the outcome of the hearing, and the name and address of the attorney if the requestor is represented by an attorney. Send hearing requests by mail to: Hearing Request, Radioactive Material Licensing, MC 2835, PO Box 149347, Austin, Texas 78714-9347, or by fax to: (512) 206-3760, or by e-mail to: RAMlicensing@dshs.texas.gov.

NEW LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
SAN ANTONIO	CV-ST0079-CASTLE HILLS LLC	L07309	SAN ANTONIO	00	02/25/26

AMENDMENTS TO EXISTING LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
ARLINGTON	CARDIOLOGY SPECIALISTS OF NORTH TEXAS PLLC DBA TEXAS CARDIOVASCULAR SPECIALISTS ARLINGTON	L07005	ARLINGTON	07	02/26/26
AUSTIN	ST DAVIDS HEALTHCARE PARTNERSHIP LP LLP DBA HEART HOSPITAL OF AUSTIN	L06372	AUSTIN	17	02/24/26
BAYTOWN	COVESTRO LLC	L01577	BAYTOWN	79	02/18/26
BAYTOWN	EXXON MOBIL CORPORATION DBA EXXONMOBIL REFINING AND SUPPLY COMPANY	L01134	BAYTOWN	82	02/18/26
DALLAS	METHODIST HOSPITALS OF DALLAS	L00659	DALLAS	158	02/27/26
EL PASO	TENET HOSPITALS LIMITED DBA THE HOSPITALS OF PROVIDENCE SIERRA CAMPUS	L02365	EL PASO	133	02/23/26
GRAPEVINE	BAYLOR REGIONAL MEDICAL CENTER AT GRAPEVINE DBA BAYLOR SCOTT & WHITE MEDICAL CENTER	L03320	GRAPEVINE	58	02/26/26
HARLINGEN	THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY	L07261	HARLINGEN	02	02/20/26

AMENDMENTS TO EXISTING LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
HOUSTON	OMEGA ASSOCIATES & ENGINEERING LLC	L07247	HOUSTON	03	02/20/26
HOUSTON	UNITED IMAGING HEALTHCARE NORTH AMERICA INC	L07090	HOUSTON	16	02/19/26
HOUSTON	QC LABORATORIES INC	L05956	HOUSTON	17	02/18/26
HOUSTON	MEMORIAL HERMANN HEALTH SYSTEM DBA MEMORIAL HERMANN TEXAS MEDICAL CENTER	L06439	HOUSTON	28	02/18/26
HOUSTON	AMERICAN DIAGNOSTIC TECH LLC	L05514	HOUSTON	181	02/17/26
HOUSTON	THE UNIVERSITY OF TEXAS MD ANDERSON CANCER CENTER	L00466	HOUSTON	196	02/23/26
LEWISVILLE	MED FUSION LLC	L06966	LEWISVILLE	05	02/24/26
MONT BELVIEU	EXXON MOBIL CORPORATION DBA EXXONMOBIL CHEMICAL COMPANY	L03119	MONT BELVIEU	36	02/26/26
PLANO	TEXAS ONCOLOGY PA	L05357	PLANO	27	02/17/26
POINT COMFORT	FORMOSA PLASTICS CORPORATION TEXAS	L03893	POINT COMFORT	68	02/24/26
SINTON	STEEL DYNAMICS SOUTHWEST LLC	L07106	SINTON	04	02/18/26

AMENDMENTS TO EXISTING LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
TEXAS CITY	SID ACHARYA MD PA DBA CARDIOVASCULAR SPECIALISTS OF TEXAS	L05714	TEXAS CITY	10	02/26/26
THROUGHOUT TX	LA FULLER AND SONS CONSTRUCTION LTD	L07246	AMARILLO	02	02/18/26
THROUGHOUT TX	APERTURE CONSULTANTS BRYANT INC	L05096	CARROLLTON	16	02/18/26
THROUGHOUT TX	PROFRAC SERVICES LLC	L06808	CISCO	13	02/25/26
THROUGHOUT TX	SIGMA OILFIELD SOLUTION LLC	L07184	CYPRESS	07	02/24/26
THROUGHOUT TX	TEAM CONSULTANTS INC	L04012	DALLAS	18	02/23/26
THROUGHOUT TX	ALLIANCE GEOTECHNICAL GROUP INC	L05314	DALLAS	58	02/25/26
THROUGHOUT TX	DIGIRAD IMAGING SOLUTIONS INC	L05414	HOUSTON	55	02/23/26
THROUGHOUT TX	HVJ ASSOCIATES INC	L03813	HOUSTON	81	02/18/26
THROUGHOUT TX	PRO-SURVE TECHNICAL SERVICES LLC	L06905	LEAGUE CITY	14	02/18/26
THROUGHOUT TX	PRECISION NDT LLC DBA PRECISION GROUP	L07054	ODESSA	16	02/17/26
THROUGHOUT TX	PERATON INC	L06802	PALESTINE	02	02/20/26
THROUGHOUT TX	VEGA AMERICAS INC	L07113	PASADENA	03	02/23/26
THROUGHOUT TX	CARDINAL NDT LLC	L07214	SAN ANTONIO	02	02/20/26
THROUHGHOUT TX	SCHLUMBERGER TECHNOLOGY CORPORATION	L06880	SUGAR LAND	18	02/27/26

RENEWAL OF LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
BREMOND	MAJOR OAK POWER LLC	L06688	BREMOND	01	02/23/26
BRYAN	CENTRAL TEXAS HEART CENTER PLLC	L06769	BRYAN	03	02/26/26
DEER PARK	SHELL CHEMICAL LP	L04933	DEER PARK	39	02/26/26
EL PASO	TENET HOSPITALS LIMITED DBA THE HOSPITALS OF PROVIDENCE SIERRA CAMPUS	L02365	EL PASO	132	02/17/26
HOUSTON	CHI ST LUKES HEALTH BAYLOR COLLEGE OF MEDICINE MEDICAL CENTER	L06661	HOUSTON	15	02/26/26
HOUSTON	TEXAS NUCLEAR IMAGING LP DBA EXCEL DIAGNOSTICS & NUCLEAR ONCOLOGY CENTER	L05009	HOUSTON	59	02/20/26
PEARLAND	CHCA PEARLAND LP DBA PEARLAND MEDICAL CENTER	L06682	PEARLAND	04	02/17/26

TERMINATIONS OF LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
AMARILLO	BSA HOSPITAL LLC DBA HARRINGTON CANCER CENTER	L06556	AMARILLO	21	02/25/26
BAY CITY	DR GEORGE P HANNA DBA BAY CITY CARDIOLOGY ASSOCIATES	L05975	BAY CITY	11	02/26/26
DALLAS	RSR TECHNOLOGIES INC	L06766	DALLAS	02	02/23/26

TERMINATIONS OF LICENSES ISSUED					
Location of Use/Possession of Material	Name of Licensed Entity	License Number	City of Licensed Entity	Amend-ment Number	Date of Action
PORT ARTHUR	BASF TOTALENERGIES PETROCHEMICALS LLC	L05914	PORT ARTHUR	16	02/20/26
WAXAHACHIE	BAYLOR MEDICAL CENTER AT WAXAHACHIE DBA BAYLOR SCOTT & WHITE MEDICAL CENTER - WAXAHACHIE	L06874	WAXAHACHIE	08	02/17/26

TRD-202601265
Molly Fudell
Deputy General Counsel
Department of State Health Services
Filed: March 16, 2026

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Texas Higher Education Coordinating Board

Notice of Intent to Engage in Negotiated Rulemaking - Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges

The Texas Higher Education Coordinating Board (THECB) intends to engage in negotiated rulemaking to amend Chapter 4, Subchapter D, §§4.81 - 4.87 rules relating to Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges. The Texas Higher Education Coordinating Board (THECB) is required to engage in negotiated rulemaking for the abovementioned rule under Texas Education Code, §51.968, which requires negotiated rulemaking to adopt rules for awarding undergraduate course credit for dual credit. Texas Education Code, §28.009(b), §28.0095, §61.059(p), §130.001(b)(3) - (4) and §130.008, provide the Coordinating Board with the authority to regulate dual credit partnerships between public institutions of higher education and secondary schools with regard to lower division courses, and provide funding for dual credit courses.

The subject of the negotiated rulemaking is amending the agency's dual credit rules. The known issues surrounding this negotiated rulemaking include: statutory discrepancies between what can be offered versus funded as dual credit and unintended consequences and confusion in the field related to previous rule revisions.

The following is a list of the stakeholders who are significantly affected by this rule and will be represented on the negotiated rulemaking committee for Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges:

1. Public Universities/Health-Related Institutions;

2. Public State Colleges;

3. Public Technical Colleges;

4. Public Community Colleges;

5. Texas Education Agency; and

6. Texas Higher Education Coordinating Board.

The THECB proposes to appoint the following 11 individuals to the negotiated rulemaking committee for Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges to represent affected parties and the agency:

Public Universities/Health-Related Institutions

Nikki Shuyler-Steele, Executive Director Secondary Partnerships and Initiatives, East Texas A&M University (Texas A&M University System)

Michael Aldape, Ed.D., Associate Vice Provost for Secondary Educational Partnerships,

The University of Texas at Rio Grande Valley (The University of Texas System)

Robert Bayard, Ed.D., Superintendent for Texas Tech K-12, Texas Tech University (Texas Tech University System)

Summer Hogan, Initiatives Manager, Youth Programs for Strategic Initiatives, Texas State University (Texas State University System)

Public Technical Colleges

Kadie Svrcek, Senior Director College Pathways and Enrichment, Texas State Technical College

Public Community Colleges

Llolanda (Londa) Carriveau, Ed.D., Director of Educational Partnerships, McLennan Community College

Michel Rodriguez-Zuch, Ph.D., Associate Vice Chancellor, Academic Initiatives and Partnerships, Lone Star College

Sara Mann, Chief High School Programs Officer, Alamo College District

Maria (Tonie) A. Badillo, Dean of Dual Credit and Early College High Schools, El Paso Community College

Texas Education Agency

Krystal Garza, M.A., Director, Postsecondary Preparation Programs

Texas Higher Education Coordinating Board

Andrew Lofters, Ph.D., Director, Academic and Health Affairs

If there are persons who are significantly affected by these proposed rules and are not represented by the persons named above, those persons may apply to the agency for membership on the negotiated rulemaking committee or nominate another person to represent their interests. Application for membership must be made in writing and include the following information:

1. Name and contact information of the person submitting the application;

2. Description of how the person is significantly affected by the rule and how their interests are different than those represented by the persons named above;

3. Name and contact information of the person being nominated for membership; and

4. Description of the qualifications of the nominee to represent the person's interests.

The THECB requests comments on the Notice of Intent to Engage in Negotiated Rulemaking and on the membership of the negotiated rulemaking committee for Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges. Comments and applications for membership on the committee must be submitted by April 5, 2026, to Carrisa Stiles, Convener, Texas Higher Education Coordinating Board, P.O. Box 12788, Austin, Texas 78711, or via email at Convener@highered.texas.gov.

TRD-202601268
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: March 17, 2026

♦ ♦ ♦

Notice of Intent to Engage in Negotiated Rulemaking - Financial Aid Allocation Carry-Forward Provisions

The Texas Higher Education Coordinating Board (THECB) intends to engage in negotiated rulemaking to amend Chapter 13, Subchapter P, Tuition Exemption and Waivers, §13.472; Chapter 22, Subchapter B, Tuition Equalization Grant Program §22.30; Chapter 22, Subchapter G, Texas College Work-Study Program, §22.135; Chapter 22 Subchapter L, Toward Excellence, Access, and Success (TEXAS) Grant Program, §22.238; Chapter 22 Subchapter M, Texas Educational Opportunity Grant Program, §22.265; Chapter 22, Subchapter R, Nursing Student Scholarship Program, §22.369; and develop Chapter 22, Subchapter A, General Provisions, §22.12 and 22.13, rules relating to Financial Aid Allocation Carry-Forward Provisions. The Texas Higher Education Coordinating Board (THECB) is required to engage in negotiated rulemaking for the abovementioned rule under Texas Education Code §61.0331(2).

The subject of the negotiated rulemaking is the disbursement of allocated funds in state financial aid programs and the treatment of unencumbered allocated funds at the end of the first year of each legislative biennium. The known issues surrounding this negotiated rulemaking include: instituting a cap on unencumbered program funds "carried forward" by institutions participating in financial aid programs from the first to the second year of a legislative biennium, and providing for a supplemental allocation of program funds in excess of the cap, as applicable.

The following is a list of the stakeholders who are significantly affected by this rule and will be represented on the negotiated rulemaking committee for the Financial Aid Allocation Carry-Forward Provisions:

1. Public Universities/Health-Related Institutions;

2. Public State Colleges;

3. Public Technical Colleges;

4. Private/Independent Institutions of Higher Education;

5. Public Community Colleges; and

6. Texas Higher Education Coordinating Board.

The THECB proposes to appoint the following 16 individuals to the negotiated rulemaking committee for Financial Aid Allocation Carry-Forward Provisions to represent affected parties and the agency:

Public Universities/Health-Related Institutions

Lashanda Parkhurst, Associate Director of Financial Aid, Steven F. Austin University (The University of Texas System)

Anne Hale, Director of Student Financial Services, The University of Texas Medical Branch (The University of Texas System)

Mary Booker, Assistant Vice President, Financial Aid and Scholarships, Texas Tech University (Texas Tech University System)

Bridgette Ingram, Executive Director, Scholarships and Financial Aid, Texas A&M University

(Texas A&M University System)

Stephanie Lopez, Director Scholarships, Texas State University (Texas State University System)

Monica Flores, Director of Scholarships and Financial Aid, University of Houston Downtown (University of Houston System)

Public Technical Colleges

Jackie Adler, Senior Director of Financial Aid, Texas State Technical College

Private/Independent Institutions of Higher Education

Taryn Anderson, Assistant Vice President of Student Financial Services, Baylor University

Paul Negrete, Executive Director of University Financial Aid Services, Rice University

Elizabeth Puthoff, President, Independent Colleges and Universities of Texas (ICUT)

Public Community Colleges

Sandi Jones, Director of Financial Aid, McLennan Community College

Thomas Mills, Ph.D., President, Hills College

Alberto Cuevas, Sr. Manager Financial Aid Campus Operations, Lone Star College

David Garza, Director of Financial Aid Tarrant County College Northeast, Tarrant County College District

Joshua Lowry, Director, Financial Aid and Scholarships, Blinn College District

Texas Higher Education Coordinating Board

Charles Contéro-Puls, Assistant Commissioner, Student Financial Aid Programs

If there are persons who are significantly affected by these proposed rules and are not represented by the persons named above, those persons may apply to the agency for membership on the negotiated rulemaking committee or nominate another person to represent their inter-

ests. Application for membership must be made in writing and include the following information:

1. Name and contact information of the person submitting the application;

2. Description of how the person is significantly affected by the rule and how their interests are different than those represented by the persons named above;

3. Name and contact information of the person being nominated for membership; and

4. Description of the qualifications of the nominee to represent the person's interests.

The THECB requests comments on the Notice of Intent to Engage in Negotiated Rulemaking and on the membership of the negotiated rulemaking committee for Financial Aid Allocation Carry-Forward Provisions. Comments and applications for membership on the committee must be submitted by April 5, 2026, to Carrisa Stiles, Convener, Texas Higher Education Coordinating Board, P.O. Box 12788, Austin, Texas 78711, or via email at Convener@highered.texas.gov.

TRD-202601269
Douglas Brock
General Counsel
Texas Higher Education Coordinating Board
Filed: March 17, 2026

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Texas Department of Housing and Community Affairs

Texas Department of Housing and Community Affairs Section 8 Program 2027 Annual Public Housing Authority (PHA) Plan

TDHCA Governing Board Approved Draft of the Section 8 Program 2027 Annual Public Housing Authority (PHA) Plan.

Public Comment Period: Starts: 8:00 a.m. Central time on Friday, March 27, 2026 and ends 5:00 p.m. Central time on Tuesday, May 12, 2026.

Comments received after 5:00 p.m. Central time on Tuesday, May 12, 2026 will not be accepted.

Written comments may be submitted, in hard copy or electronic formats to:

Texas Department of Housing and Community Affairs

Attn: Andre Adams, Section 8 Manager

P.O. Box 13941 Austin, Texas 78711-3941

Email: andre.adams@tdhca.texas.gov

A public hearing will be held on Tuesday, May 12, 2026 beginning at 2:00 p.m. Central time and ending at 2:30 p.m. at:

Texas Department of Housing and Community Affairs

221 E 11th Street, Room 129 Austin, Texas 78701

Written comments may be submitted in hard copy or email formats within the designated public comment period. Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment. Please be aware that all comments will be considered public information.

TRD-202601272
Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
Filed: March 17, 2026

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Texas Department of Insurance

Company Licensing

Application for incorporation in the state of Texas for Montivera Specialty Insurance Exchange, a domestic reciprocal. The home office is in Austin, Texas.

Application for incorporation in the state of Texas for Cover Whale Insurance Exchange, a domestic reciprocal. The home office is in Austin, Texas.

Application to do business in the state of Texas for Professional Life & Casualty Company, a foreign life, accident, and/or health company. The home offices is in Scottsdale, Arizona.

Any objections must be filed with the Texas Department of Insurance, within twenty (20) calendar days from the date of the *Texas Register* publication, addressed to the attention of Andrew Guerrero, 1601 Congress Ave., Suite 6.900, Austin, Texas 78701.

TRD-202601308
Justin Beam
Chief Clerk
Texas Department of Insurance
Filed: March 18, 2026

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Texas Department of Licensing and Regulation

Dyslexia Therapists Enforcement Plan

The Texas Commission of Licensing and Regulation (Commission) provides this public notice that, at their regularly scheduled meeting held on February 18, 2026, the Commission adopted the Texas Department of Licensing and Regulation's (Department) revised enforcement plan, which was established in compliance with Texas Occupations Code §51.302(c).

The enforcement plan gives all license holders notice of the specific ranges of penalties and license sanctions that apply to specific alleged violations of the statutes and rules enforced by the Department. The enforcement plan also presents the criteria that are considered by the Department's Enforcement staff in determining the amount of a proposed administrative penalty or the magnitude of a proposed sanction. The enforcement plan is revised to include the penalty matrix for the Dyslexia Therapists program.

The penalty matrix for the Dyslexia Therapists program was last updated on February 18, 2020. Revisions to the matrix include: (1) incorporating new statutory requirements violations, (2) consolidating violations into four classes, and (3) other cleanup to ensure correct rule and law citations and plain language.

The Dyslexia Therapists Board recommended approval of the penalty matrix at their meeting held on July 30, 2025. The penalty matrix was presented to the Commission on February 18, 2026, and was adopted as recommended.

A copy of the revised enforcement plan is posted on the Department's website and may be downloaded at www.tdlr.texas.gov.

DYSLEXIA THERAPISTS Penalties and Sanctions

Texas Occupations Code, Chapter 403
Texas Occupations Code, Chapter 51
16 Texas Administration Code, Chapter 120
16 Texas Administration Code, Chapter 60
Texas Health and Safety Code, Chapter 181
Texas Health and Safety Code, Chapter 311

Class A

Penalty Range: $500 to $1,000

Administrative Violations

Violation	Statute/Rule
Failed to report to the Department within 30 days of the event changes in name or mailing address	120.70(a)
Failed to notify each client or minor client's parent or authorized representative of the Department's name, website, email address, mailing address, and telephone number for the purpose of directing complaints to the Department	120.90(c)(5)

Posting and Public Information Violations

Violation	Statute/Rule
Failed to display license in the primary location of the practice	120.90(c)(6)

Class B

Penalty: $750 to $3,000 and/or up to 6-month suspension.

Administrative Violations

Violation	Statute/Rule
Failed to inform the Department of any violations of this chapter or the Act	120.90(b)(28)

Advertising Violations

Violation	Statute/Rule
Misrepresented the use of a professional name, a title or professional identification that is expressly or commonly reserved to or used by another profession or professional	120.90(d)(6)

Recordkeeping Violations

Violation	Statute/Rule
Failed to document the information disclosed, the person or entity to whom the disclosure was made, and the justification for the disclosure, in the event of disclosure of personal or professional information about a client	120.90(b)(19)

Recordkeeping Violations Related to Private Practice

Violation	Statute/Rule
Failed to provide a client or a minor client's parent or authorized representative with a written agreement for services delivered in a private practice prior to the commencement of services	120.90(c)(1)
Failed to maintain legible and accurate records of dyslexia therapy services	120.90(c)(2)
Failed to maintain records of services rendered in a school or other learning center or clinic for the period of time required by the service setting	120.90(c)(3)
Failed to maintain records of services for 5 years	120.90(c)(3)
Failed to provide a client or a minor client's parent or authorized representative with a written agreement for services delivered in a private practice prior to the commencement of services	120.90(c)(1)

Standard of Care Violations Related to Treatment

Violation	Statute/Rule
Provided professional services to a client who was receiving dyslexia therapy services from another license holder without the prior knowledge and consent of the other license holder	120.90(b)(18)

Class C

Penalty: $2,000 to $5,000 and/or 1-year suspension up to revocation.

Recordkeeping and Confidentiality Violations

Violation	Statute/Rule
Revealed confidential or personal information about a client without authorization other than as required by law, a certifying entity, compelled by a court, or as required to protect the welfare of the client or the community	120.90(b)(19)
Failed to document any confidential or personal information disclosed, the person or entity to whom it was disclosed, and the justification for the disclosure in the client's record if the licensee reveals such information without authorization	120.90(b)(19)
Failed to maintain confidentiality of records	Texas Health and Safety Code, Chapter 181

Standard of Care Violations Related to Treatment

Violation	Statute/Rule
Provided professional services that were not within the scope of the license holder's competence	120.90(b)(1)
Failed to ensure a safe therapy or teaching environment	120.90(b)(2)
Jeopardized a client's safety or well-being by abusive or inattentive behavior	120.90(b)(3)

Violation	Statute/Rule
Failed to maintain objectivity in all matters concerning the welfare of the client	120.90(b)(4)
Failed to terminate a professional relationship when it is reasonably clear that the client is not benefitting from the services provided or when it is reasonably clear that the client no longer needs the services	120.90(b)(5)
Failed to identify competent, dependable referral sources for clients or failed to make a referral when requested or appropriate	120.90(b)(6)
Failed to provide accurate information to clients and the public about the nature and management of dyslexia or about the services rendered	120.90(b)(7)
Failed to be knowledgeable of all available diagnostic data or other relevant information regarding each client	120.90(b)(8)
Guaranteed directly or by implication the results of any therapeutic or teaching services	120.90(b)(9)
Misled a client to expect results that cannot be predicted from reliable evidence	120.90(b)(9)
Failed to accurately represent or describe any product created or recommended by the license holder	120.90(b)(10)
Used his or her professional relationship with a client to promote any product created or produced by the license holder	120.90(b)(12)
Failed to fully inform clients of the nature and possible outcomes of services rendered	120.90(b)(14)
Used a client's date or information for research or teaching activities without the written consent of the client or a minor client's parent or legal guardian	120.90(b)(15)
Failed to comply with all provisions of the Act and the administrative rules, or any state or federal law or rule that relates to the provision of professional services by, or the regulation of the license holder	120.90(b)(25)

Misrepresentation Violations

Violation	Statute/Rule
Misrepresented the licensee's education, training, credentials, or competence	120.90(13)
Used false, misleading, inaccurate, incomplete, out of context, deceptive, or not readily verifiable information in an advertisement or announcement	120.90(d)
Used advertising that makes a material misrepresentation of fact or omits a fact necessary to make the statement as a whole not materially misleading	120.90(d)(1)
Used an advertisement that makes a representation likely to create an unjustified expectation about the results of a professional service	120.90(d)(2)
Used an advertisement that compares a professional's services with another professional's services unless the comparison can be factually substantiated	120.90(d)(3)
Used an advertisement that causes confusion or misunderstanding as to the credentials, education, or licensing of a professional	120.90(d)(4)

Unlicensed Activity Violations

Violation	Statute/Rule
Used the title 'licensed dyslexia practitioner' or 'licensed dyslexia therapist' without a license	403.101

Unprofessional or Unethical Conduct – Billing Violations

Violation	Statute/Rule
Billed a client or third-party for services not rendered in the manner agreed to by the license holder and the client or the minor client's parent or guardian	120.90(b)(17)
Failed to provide in plain language a written explanation of the charges for dyslexia therapy services previously made on a bill or statement upon the written request of a client or client's parent or authorized representative	120.90(b)(20)

Violation	Statute/Rule
Knowingly submitted a bill for treatment to a client or third-party payor a bill for services not provided or that were improper, unreasonable, or clinically unnecessary	Texas Health and Safety Code, §311.0025(a)

Unprofessional or Unethical Conduct Violations

Violation	Statute/Rule
Required the exclusive use or purchase by a client of any product created or produced by the license holder	120.90(b)(11)
Falsified records	120.90(b)(16)
Used alcohol or drugs not legally prescribed for the license holder when the use adversely affects or could adversely affect the provision of professional services	403.202(3); 120.90(b)(23)
Offered to pay or agreed to accept any remuneration directly or indirectly, overtly or covertly, in cash or in kind, to or from any person, firm, association of persons, partnership, or corporation for securing or soliciting clients or patronage	120.90(b)(24)
Discriminated in the provision of dyslexia therapy services on the basis of race, color, national origin, religion, gender, age, or disability	120.90(b)(32)
Made a representation designed to take advantage of the fears or emotions of a particularly susceptible type of client	120.90(d)(5)
Failed to cooperate with the Department	120.90(b)(31); 60.203(a), (c)
Failed to make available to a Department employee or representative all records, notices, and other documents as requested	60.203(b)

Continuing Education Violations

Violation	Statute/Rule
Failed to maintain continuing education records applied toward a license renewal for two years after the date the license renewal is issued	60.701(b)(2)

Violation	Statute/Rule
Failed to submit to the Department continuing education records within 30 calendar days after notification of an audit	60.701(c)(2), (d)(1)
Failed to complete all deficient continuing education within 90 calendar days after notification of deficiency	60.701(c)(4), (d)(4)
Provided false information during the audit or renewal process	60.701(d)(2)
Was deficient in the continuing education required for the most recent renewal of the license	60.701(d)(3)

Class D

Penalty: $5,000 and/or revocation.

[TYPE] Violations

Violation	Statute/Rule
Engaged in the medical diagnosis of clients	403.202(3); 120.90(b)(21)
Engaged in sexual contact or sexually exploitive behavior or therapeutic deception with a client	403.202(3); 120.90(b)(22)
Obtained a license by means of fraud, misrepresentation, or concealment of a material fact	403.202(1); 120.90(b)(26); 60.23(a)(1)
Falsified any document submitted to the Department or commission	60.23(a)(2)
Sold, offered to sell, or bartered a license	403.202(2); 120.90(b)(27)
Failed to comply with an order issued by the executive director or commission	51.353(a); 120.90(b)(29); 60.23(a)(5)
Interfered in a Department investigation or disciplinary proceeding by misrepresentation or omission of facts to the Department or by use of threats or harassment against any person	120.90(b)(30); 60.203(c)
Failed to comply with exam security requirements	60.54

Violation	Statute/Rule
Failed to pay the Department for a dishonored payment or processing fee	60.82
Engaged in the medical diagnosis of clients	403.202(3); 120.90(b)(21)

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

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Courtney Arbour
Executive Director
Texas Department of Licensing and Regulation
Filed: March 16, 2026

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Orthotics and Prosthetics Enforcement Plan

The Texas Commission of Licensing and Regulation (Commission) provides this public notice that at their regularly scheduled meeting held February 18, 2026, the Commission adopted the Texas Department of Licensing and Regulation's (Department) revised enforcement plan, which was established in compliance with Texas Occupations Code, §51.302(c).

The enforcement plan gives all license holders notice of the specific ranges of penalties and license sanctions that apply to specific alleged violations of the statutes and rules enforced by the Department. The enforcement plan also presents the criteria that are considered by the Department's Enforcement staff in determining the amount of a proposed administrative penalty or the magnitude of a proposed sanction. The enforcement plan is revised to include the penalty matrix for the Orthotists and Prosthetists program.

The penalty matrix for the Orthotists and Prosthetists program was last updated on March 1, 2017. Revisions to the matrix include (1) incorporating continuing education violations and (2) other cleanup to ensure correct rule and law citations and plain language.

The Orthotists and Prosthetists Advisory Board recommended approval of the penalty matrix at their meeting held October 14, 2025. The penalty matrix was presented to the Commission on February 18, 2026, and was adopted as recommended.

A copy of the revised enforcement plan is posted on the Department's website and may be downloaded at www.tdlr.texas.gov.

Orthotics and Prosthetics Penalties and Sanctions

Texas Occupations Code Chapter 605
16 Texas Administrative Code, Chapter 114
16 Texas Administrative Code, Chapter 60

Class A

Penalty Range: Up to $1,000

Failure to Notify Department Violations

Violation	Statute/Rule
Failed to report to the Department violations of the Act or this chapter committed by a licensed assistant	114.27(c)(8)
Failed to notify Department of change in the accredited facility designation of the on-site practitioner(s) in charge name and license number within 30 days after the change	114.29(d)(1)(C); 114.70(b)
Failed to notify Department of change in the accredited facility designation of the on-site safety manager(s) name and license number within 30 days after the change	114.29(d)(3)(B); 114.70(b)
Failed to notify the Department of any change(s) of name or mailing address within 30 days after a change	114.70(b)

Posting and Public Information Violation

Violation	Statute/Rule
Failed to publicly display the license certificate in the primary place of employment	114.21(d)
Displayed or carried a copy of a license instead of the original	114.21(d)
Allowed license to be copied for a purpose other than for license verification, credentialing, or reimbursement	114.21(e)
Failed to sign, date and mark license copies with the word “COPY” across the document’s face	114.21(e)
Failed to prominently display facility accreditation certificate in facility available for public inspection	114.29(e)(3)

Violation	Statute/Rule
Failed to prominently display consumer complaint notice sign in facility	114.29(e)(5); 114.70(d)
Failed to prominently display the license certificates of practitioners in facility available for public inspection	114.29(e)(8)
Failed to display a visible sign with facility hours of operation and, when appropriate, information regarding temporary closures	114.29(e)(9)

Advertising Without a License or Accreditation Violations

Violation	Statute/Rule
Used terms or letters indicating directly or by implication that an orthotic or prosthetic service will be provided when not licensed or accredited	605.251; 605.301(2)(c); 605.351; 114.29(e)(6)
Advertised or otherwise held-out as able to practice orthotics or prosthetics without a license	605.251

Facility, Equipment and Sanitation Violations

Violation	Statute/Rule
Failed to clean examination/treatment room(s) after each patient	114.29(i)(2)
Failed to have hand sanitizer/hand soap, hand towels or hand dryers available at the sinks for use by employees/patients	114.29(i)(3)
Failed to have exam tables covered in material for disposable one-time use or can be disinfected, replaced or cleaned after providing service to each patient	114.29(i)(4)
Failed to have gloves and disinfectants available in examination/treatment areas	114.29(i)(5)
Failed to keep the floors, walls, ceilings, shelves, furniture, furnishings and fixtures clean and in good repair or failed to repair or fill-in cracks or similar disrepair not readily accessible	114.29(i)(6)
Failed to keep plumbing fixtures clean or failed to repair any disrepair with plumbing not readily accessible	114.29(i)(7)

Violation	Statute/Rule
Failed to have suitable facility plumbing providing hot and cold running water at all times	114.29(i)(8)
Failed to provide at least one accessible restroom located on or adjacent to the premises of the facility	114.29(l)(6)
Facility being utilized for living or sleeping purposes or utilized for any other purpose tending to make the premises unsanitary, unsafe or endanger the public health and safety	114.29(i)(9)
Failed to separate the facility patient waiting areas from other areas	114.29(j)(1)
Failed to provide chairs with armrests or failed to provide chairs without armrests or wheels upon request	114.29(j)(2); 114.29(k)(3)
Failed to provide private patient rooms	114.29(k)(1)
Failed to maintain facility machine use training records documenting staff training for each machine	114.29(l)(2)

Class B

Penalty Range: $500 to $3,000 and/or up to 6-month probated suspension

Health and Safety Violations

Violation	Statute/Rule
Failed to wash hands with hand sanitizer/soap and water before providing service to patient	114.29(i)(1)
Storing chemical supplies in restrooms or other areas accessible to the public/patients	114.29(l)(6)
Failed to provide at least one set of parallel bars, wall-mounted mirror or mirror with base for patient facility ambulation trials	114.29(k)(2)
Failed to have facility equipment, tools, and materials for casting, measuring, fitting, repairs and adjustments of orthoses/prosthesis	114.29(e)(10)
Failed to have safety equipment, including safety glasses or goggles and dust masks for persons working in facility	114.29(l)(1)
Failed to provide proper facility machine use training	114.29(l)(2)
Failed to have safety guards on facility machines as required by the manufacturer	114.29(l)(3)

Administrative Violations Related to Assistants

Violation	Statute/Rule
Failed to file with the Department a supervision agreement before the assistant clinical residency begins	114.27(b)(1)
Failed to provide the assistant clinical resident and Department with supervisor's written documentation on beginning, terminating or completing the assistant clinical residency	114.27(b)(3)
Failed to review and sign off on patient care notes made by assistant clinical resident by supervising practitioner within 15 working days from the date the service was provided	114.27(b)(5); 114.27(c)(1)
Allowed the assistant clinical residency to begin with supervisor before approval from the Department	114.27(b)(2)

Administrative Violations

Violation	Statute/Rule
Failure of an accredited facility to have a licensed practitioner in charge	114.29(d)(1)
Failed to have an accredited facility residency program director licensed in the same discipline in which the professional clinical residency is being conducted providing direct/indirect resident supervision	114.29(d)(2)
Failed to have a designated facility safety manager to develop, carry out and monitor the facility safety program	114.29(d)(3)

Unlicensed Activity

Violation	Statute/Rule
Practiced, attempted, offered to practice orthotics or prosthetics with an expired license	60.31(g); 114.40(f)(1)-(2);114.90(c)(10)
Practiced, attempted, offered to practice orthotics or prosthetics patient care as an accredited facility with an expired license	60.31(g); 114.40(e)(5); 114.90(c)(10)

Class C

Penalty Range: $1,000 to $5,000 and/or 1-year probated suspension up to revocation

Administrative Violations

Violation	Statute/Rule
Altered a license or a copy of a license	114.21(f)
Used or allowed a person to use a license or registration for any fraudulent, misleading or deceptive purpose	114.90(c)(4)
Filed a complaint with the Department that is frivolous or made in bad faith	114.90(h)

Records Violations

Violation	Statute/Rule
Failed to include accurate and current patient progress notes	114.29(m)(1)
Failed to keep patient records private	114.29(m)(2); 114.90(d)(13)
Made patient records available without the patient's signed consent or as permitted by law	114.29(m)(3)
Failed to maintain patient records for a minimum of five (5) years	114.29(m)(4)
Facility failed to provide itemized billing to patient prior to pursuing debt collection efforts against patient.	114.70(e)
Facility failed to include all required information on itemized bill	114.70(e)

Standard of Care Violations – Related to Supervision

Violation	Statute/Rule
Patient care provided by assistant clinical resident or licensed assistant without appropriate supervision	114.27(b)(4) and (9); 114.27(c)(6)
Provided patient care to orthotic/prosthetic patients including ancillary or assistant patient care services as a technician	114.28(c)
Licensed assistant provided ancillary patient care services in a discipline other than that of the supervisor's license	605.255(b); 114.27(c)(2)-(4);

Violation	Statute/Rule
Student registrant working without appropriate supervision	605.258(b)
Failed to supervise and be responsible for the acts or omissions of the licensed assistant by supervising practitioner	114.27(c)(5); 114.27(c)(7)
Failed to supervise a technician by a licensed prosthetist, orthotist, prosthetist/orthotist, prosthetist assistant, orthotist assistant, or prosthetist/orthotist assistant	114.28(a)
Practitioner in charge failed to supervise and maintain supervision of clinical or technical personnel	114.90(d)(8)
Practitioner in charge failed to provide facility on-site supervision	114.90(d)(8)

Standard of Care Violations – Related to Treatment

Violation	Statute/Rule
Persistently or flagrantly over-treated a client or patient	114.90(c)(12)
Failed to maintain acceptable standards of prosthetics or orthotics practices set forth by department rules	114.90(d)(5)
Failed or unable to practice prosthetics/orthotics with reasonable skill and safety due to use of alcohol, drugs, chemicals or from mental or physical conditions	114.90(d)(6)
Treated or agreed to treat human ailments by means other than appropriate prosthetic/orthotic treatments	114.90(d)(7)
Provided prosthetic/orthotic services or products in a way that the person knows or should know violates the Act or chapter	114.90(d)(9)
Failed to assess and evaluate a patient's status	114.90(d)(10)
Provided or attempted to provide services for which the licensee lacks education or experience	114.90(d)(11)
Delegated functions to an individual lacking the ability, knowledge or license/registration to perform the functions	114.90(d)(12)
Failed to follow universal precautions or infection control standards as required by the Health & Safety Code	114.90(d)(18)
Fitted a prosthesis or orthosis without an order	605.2515; 114.75(e) 114.90(d)(23)

Violation	Statute/Rule
Fitted a prosthesis or orthosis inaccurately or modifying the order without authorization	114.90(d)(24)
Performed an act or omission constituting gross neglect, such as conduct involving malice, willfulness or wanton and reckless disregard of others' rights	114.90(e)(1)
Performed an act or omission constituting malpractice by failing to perform services or provide products for which compensation has been received or failed to perform services or provide products with reasonable care, skill, expedience, and faithfulness	114.90(e)(2)(A)
Performed an act or omission constituting malpractice by failing to do that which a person or ordinary prudence would have done or would not have done under the same or similar circumstances	114.90(e)(2)(B)

Misrepresentation

Violation	Statute/Rule
Failed to submit truthful continuing education documentation or information to the Department; committed fraud, misrepresentation, or concealment of a material fact with continuing education requirements	114.90(b)(2); 114.90(d)(19); 114.50(p)
Impersonated or acted as a proxy for a licensee or registrant at a continuing education activity	114.90(b)(4)
Used a proxy to participate in a continuing education activity	114.90(b)(5)
Provided false or misleading information to the Department regarding a Department inquiry	114.90(b)(6)
Placed or caused to be placed false, misleading or deceptive advertising	114.90(c)(1)
Made or allowed false, misleading or deceptive representations concerning services or products provided or to be provided.	114.90(c)(2)
Made or allowed false, misleading or deceptive representations on an employment application	114.90(c)(3)
Forged, altered or falsified a physician's or healthcare professional's order	114.90(c)(6)

Violation	Statute/Rule
Delivered prosthetic/orthotic services or products through means of misrepresentation, deception or subterfuge	114.90(c)(7)
Made, filed, or caused another person to make or file a report or record the licensee knows to be inaccurate, incomplete, false or illegal	114.90(c)(9)
Other fraud or deceit concerning services provided	114.90(c)(15)

Unlicensed Activity

Violation	Statute/Rule
Knowingly employed or professionally associated with a person or entity providing orthotic or prosthetic services without the required license or accreditation	114.90(c)(5)
Provided orthotic care in a facility not accredited in orthotics	114.90(d)(25)
Provided prosthetic care in a facility not accredited in prosthetics	114.90(d)(26)
Practiced, attempted to practice, or offered to practice orthotics/prosthetics, or acted as an assistant without a license	605.251; 114.90(c)(10)
Fabricated or assembled an orthosis or prosthesis without a order or device manufacturer license	605.2515
Practicing in a place other than an accredited facility or exempt facility	114.29(a); 114.27(c)(9)
Operated an unaccredited facility	114.29(e)(1); 114.29(f); 114.90(c)(10); 114.90(d)(14); 114.90(d)(25)-(26)

Unprofessional or Unethical Conduct

Violation	Statute/Rule
Persistently or flagrantly overcharged a client, patient or third party	114.90(c)(11)
Took, without authorization, patient medication, supplies, equipment or personal items	114.90(c)(14)
Accepted or paid, or agreed to pay or accept illegal remuneration for the securing or soliciting of patients	114.90(c)(8)
Discriminated based on race, color, national origin, religion, gender, age or disability in the practice of prosthetics/orthotics	114.90(d)(1)

Violation	Statute/Rule
Surrendered a license to avoid disciplinary action or prosecution	114.90(d)(2)
Licensee had previous disciplinary action	114.90(d)(3)
Engaged in conduct prohibited by state, federal or local law	114.90(d)(4)
Engaged in other unprofessional or unethical conduct	114.90(d)(30)
Assaulted or caused, permitted or allowed physical or emotional injury or impairment of dignity or safety to patient/client	114.90(d)(15)
Made abusive, harassing or seductive remarks to a patient, client or co-worker in the workplace	114.90(d)(16)
Engaged in sexual contact as defined by the Penal Code § 21.01 with a patient or client as the result of patient or client relationship	114.90(d)(17)

Continuing Education Violations

Violation	Statute/Rule
Failed to maintain continuing education records applied toward a license renewal for two years after the date the license renewal is issued	60.701(b)(2)
Failed to submit to the department continuing education records within 30 calendar days after notification of an audit	60.701(c)(2), (d)(1)
Failed to complete all deficient continuing education within 90 calendar days after notification of deficiency	60.701(c)(4), (d)(4)
Provided false information during the audit or renewal process	60.701(d)(2)
Was deficient in the continuing education required for the most recent renewal of the license	60.701(d)(3)

Class D

Penalty Range: $5,000 and/or up to revocation

Violation	Statute/Rule
Obtained or attempted to obtain a license by fraud, misrepresentation, or concealment of material fact	60.23(a)(1)-(2); 114.90(b)(1); 114.90(b)(7)
Falsified any document submitted to the Department or Commission	60.23(a)(2)
Permitted the use or display of a license by a person not authorized by law to use that license	60.23(a)(3)
Failed to comply with exam security requirements	60.54
Impersonate or act as a proxy for an examination candidate	114.90(b)(3)
Used a proxy to take an examination	114.90(b)(5)
Failed to comply with a previous order of the Commission or Executive Director	51.353(a); 60.23(a)(5) 114.90(c)(13); 114.90(d)(29)
Failed to pay the Department for a dishonored payment or processing fee	51.210(c); 60.82;
Failed to cooperate with the Department inspector in the performance of an inspection	60.222 114.29(h);
Failed to cooperate with the Department during an investigation of a complaint or by interfering with a Department investigation	60.203 114.90(d)(21)-(22), (27); 114.90(f)

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

TRD-202601261
Courtney Arbour
Executive Director
Texas Department of Licensing and Regulation
Filed: March 16, 2026

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Scratch Ticket Game Number 2736 "MONACO CASH"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2736 is "MONACO CASH". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. Tickets for Scratch Ticket Game No. 2736 shall be $5.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2736.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: 01, 03, 04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 2X SYMBOL, 5X SYMBOL, $5.00, $10.00, $20.00, $25.00, $50.00, $100, $200, $500, $1,000, $5,000 and $200,000.

D. Play Symbol Caption- The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2736 - 1.2D

PLAY SYMBOL	CAPTION
01	ONE
03	THR
04	FOR
06	SIX
07	SVN
08	EGT
09	NIN
10	TEN
11	ELV
12	TLV
13	TRN
14	FTN
15	FFN
16	SXN
17	SVT
18	ETN
19	NTN
20	TWY
21	TWON
22	TWTO
23	TWTH
24	TWFR
25	TWFV
26	TWSX
27	TWSV
28	TWET
29	TWNI

30	TRTY
31	TRON
32	TRTO
33	TRTH
34	TRFR
35	TRFV
36	TRSX
37	TRSV
38	TRET
39	TRNI
40	FRTY
2X SYMBOL	DBL
5X SYMBOL	WINX5
$5.00	FIV$
$10.00	TEN$
$20.00	TWY$
$25.00	TWFV$
$50.00	FFTY$
$100	ONHN
$200	TOHN
$500	FVHN
$1,000	ONTH
$5,000	FVTH
$200,000	200TH

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2736), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 075 within each Pack. The format will be: 2736-0000001-001.

H. Pack - A Pack of "MONACO CASH" Scratch Ticket Game contains 075 Scratch Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). The Packs will alternate. One will show the front of Ticket 001 and back of 075 while the other fold will show the back of Ticket 001 and front of 075.

I. Non-Winning Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery and Charitable Bingo Division of the Texas Department of Licensing and Regulation ("Texas Lottery") pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - A Texas Lottery "MONACO CASH" Scratch Ticket Game No. 2736.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "MONACO CASH" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose forty-five (45) Play Symbols. If a player matches any of the YOUR NUMBERS Play Symbols to any of the WINNING NUMBERS Play Symbols, the player wins the prize for that number. If the player reveals a "2X" Play Symbol, the player wins DOUBLE the prize for that symbol. If the player reveals a "5X" Play Symbol, the player wins 5 TIMES the prize for that symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly forty-five (45) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;

2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;

3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in black ink except for dual image games;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly forty-five (45) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the forty-five (45) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the forty-five (45) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. KEY NUMBER MATCH: No prize amount in a non-winning spot will correspond with the YOUR NUMBERS Play Symbol (i.e., 10 and $10).

D. KEY NUMBER MATCH: There will be no matching non-winning YOUR NUMBERS Play Symbols on a Ticket.

E. KEY NUMBER MATCH: There will be no matching WINNING NUMBERS Play Symbols on a Ticket.

F. KEY NUMBER MATCH: A non-winning Prize Symbol will never match a winning Prize Symbol.

G. KEY NUMBER MATCH: A Ticket may have up to three (3) matching non-winning Prize Symbols, unless restricted by other parameters, play action or prize structure.

H. KEY NUMBER MATCH: The "2X" (DBL) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

I. KEY NUMBER MATCH: The "5X" (WINX5) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

2.3 Procedure for Claiming Prizes.

A. To claim a "MONACO CASH" Scratch Ticket Game prize of $5.00, $10.00, $20.00, $25.00, $50.00, $100, $200 or $500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a $25.00, $50.00, $100, $200 or $500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "MONACO CASH" Scratch Ticket Game prize of $1,000, $5,000 or $200,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of $600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. As an alternative method of claiming a "MONACO CASH" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is $1,000,000 or more, the claimant must also provide proof of Social Security number or Tax Payer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

F. If a person is indebted or owes delinquent taxes to the State, and is selected as a winner in a promotional second-chance drawing, the debt to the State must be paid within 14 days of notification or the prize will be awarded to an Alternate.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under $600 from the "MONACO CASH" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of $600 or more from the "MONACO CASH" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket Game prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

2.9 Promotional Second-Chance Drawings. Any Non-Winning "MONACO CASH" Scratch Ticket may be entered into one (1) of five (5) promotional drawings for a chance to win a promotional second-chance drawing prize. See instructions on the back of the Scratch Ticket for information on eligibility and entry requirements.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the

Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Ticket Prizes. There will be approximately 9,960,000 Scratch Tickets in the Scratch Ticket Game No. 2736. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2736 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$5.00	996,000	10.00
$10.00	796,800	12.50
$20.00	232,400	42.86
$25.00	132,800	75.00
$50.00	132,800	75.00
$100	21,082	472.44
$200	4,150	2,400.00
$500	830	12,000.00
$1,000	100	99,600.00
$5,000	10	996,000.00
$200,000	5	1,992,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.
**The overall odds of winning a prize are 1 in 4.30. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2736 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket Game closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302(j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2736, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202601326

Deanne Rienstra
General Counsel Lottery and Charitable Bingo
Texas Department of Licensing and Regulation
Filed: March 18, 2026

♦ ♦ ♦

Scratch Ticket Game Number 2737 "MONACO VIP"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2737 is "MONACO VIP". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. Tickets for Scratch Ticket Game No. 2737 shall be $10.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2737.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: 01, 03, 04, 06, 07, 08, 09, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 2X SYMBOL, 5X SYMBOL, 10X SYMBOL, $10.00, $20.00, $30.00, $50.00, $100, $200, $500, $1,000, $10,000, $50,000 and $500,000.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2737 - 1.2D

PLAY SYMBOL	CAPTION
01	ONE
03	THR
04	FOR
06	SIX
07	SVN
08	EGT
09	NIN
11	ELV
12	TLV
13	TRN
14	FTN
15	FFN
16	SXN
17	SVT
18	ETN
19	NTN
20	TWY

21	TWON
22	TWTO
23	TWTH
24	TWFR
25	TWFV
26	TWSX
27	TWSV
28	TWET
29	TWNI
30	TRTY
31	TRON
32	TRTO
33	TRTH
34	TRFR
35	TRFV
36	TRSX
37	TRSV
38	TRET
39	TRNI

40	FRTY
41	FRON
42	FRTO
43	FRTH
44	FRFR
45	FRFV
46	FRSX
47	FRSV
48	FRET
49	FRNI
50	FFTY
51	FFON
52	FFTO
53	FFTH
54	FFFR
55	FFFV
56	FFSX
57	FFSV
58	FFET

59	FFNI
60	SXTY
2X SYMBOL	DBL
5X SYMBOL	WINX5
10X SYMBOL	WINX10
$10.00	TEN$
$20.00	TWY$
$30.00	TRTY$
$50.00	FFTY$
$100	ONHN
$200	TOHN
$500	FVHN
$1,000	ONTH
$10,000	10TH
$50,000	50TH
$500,000	500TH

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2737), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 050 within each Pack. The format will be: 2737-0000001-001.

H. Pack - A Pack of "MONACO VIP" Scratch Ticket Game contains 050 Scratch Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). Ticket back 001 and 050 will both be exposed.

I. Non-Winning Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery and Charitable Bingo Division of the Texas Department of Licensing and Regulation ("Texas Lottery") pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - A Texas Lottery "MONACO VIP" Scratch Ticket Game No. 2737.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "MONACO VIP" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose fifty-four (54) Play Symbols. If a player matches any of the YOUR NUMBERS Play Symbols to any of the WINNING NUMBERS Play Symbols, the player wins the prize for that number. If the player reveals a "2X" Play Symbol, the player wins DOUBLE the prize for that symbol. If the player reveals a "5X" Play Symbol, the player wins 5 TIMES the prize for that symbol. If the player reveals a "10X" Play Symbol, the player wins 10 TIMES the prize for that symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly fifty-four (54) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;

2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;

3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in black ink except for dual image games;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly fifty-four (54) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the fifty-four (54) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the fifty-four (54) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. KEY NUMBER MATCH: No prize amount in a non-winning spot will correspond with the YOUR NUMBERS Play Symbol (i.e., 20 and $20).

D. KEY NUMBER MATCH: There will be no matching non-winning YOUR NUMBERS Play Symbols on a Ticket.

E. KEY NUMBER MATCH: There will be no matching WINNING NUMBERS Play Symbols on a Ticket.

F. KEY NUMBER MATCH: A non-winning Prize Symbol will never match a winning Prize Symbol.

G. KEY NUMBER MATCH: A Ticket may have up to three (3) matching non-winning Prize Symbols, unless restricted by other parameters, play action or prize structure.

H. KEY NUMBER MATCH: The "2X" (DBL) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

I. KEY NUMBER MATCH: The "5X" (WINX5) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

J. KEY NUMBER MATCH: The "10X" (WINX10) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

2.3 Procedure for Claiming Prizes.

A. To claim a "MONACO VIP" Scratch Ticket Game prize of $10.00, $20.00, $30.00, $50.00, $100, $200 or $500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a $30.00, $50.00, $100, $200 or $500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "MONACO VIP" Scratch Ticket Game prize of $1,000, $10,000, $50,000 or $500,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of $600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. As an alternative method of claiming a "MONACO VIP" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is $1,000,000 or more, the claimant must also provide proof of Social Security number or Tax Payer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

F. If a person is indebted or owes delinquent taxes to the State, and is selected as a winner in a promotional second-chance drawing, the debt to the State must be paid within 14 days of notification or the prize will be awarded to an Alternate.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under $600 from the "MONACO VIP" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of $600 or more from the "MONACO VIP" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket Game prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

2.9 Promotional Second-Chance Drawings. Any Non-Winning "MONACO VIP" Scratch Ticket may be entered into one (1) of five (5) promotional drawings for a chance to win a promotional second-chance drawing prize. See instructions on the back of the Scratch Ticket for information on eligibility and entry requirements.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the

Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Ticket Prizes. There will be approximately 7,560,000 Scratch Tickets in the Scratch Ticket Game No. 2737. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2737 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$10.00	793,800	9.52
$20.00	453,600	16.67
$30.00	340,200	22.22
$50.00	151,200	50.00
$100	96,012	78.74
$200	12,600	600.00
$500	1,260	6,000.00
$1,000	189	40,000.00
$10,000	8	945,000.00
$50,000	4	1,890,000.00
$500,000	4	1,890,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.
**The overall odds of winning a prize are 1 in 4.09. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2737 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket Game closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302(j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2737, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202601324
Deanne Rienstra
General Counsel Lottery and Charitable Bingo
Texas Department of Licensing and Regulation
Filed: March 18, 2026

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Scratch Ticket Game Number 2738 "MONACO MILLIONAIRE"

1.0 Name and Style of Scratch Ticket Game.

A. The name of Scratch Ticket Game No. 2738 is "MONACO MILLIONAIRE". The play style is "key number match".

1.1 Price of Scratch Ticket Game.

A. Tickets for Scratch Ticket Game No. 2738 shall be $20.00 per Scratch Ticket.

1.2 Definitions in Scratch Ticket Game No. 2738.

A. Display Printing - That area of the Scratch Ticket outside of the area where the overprint and Play Symbols appear.

B. Latex Overprint - The removable scratch-off covering over the Play Symbols on the front of the Scratch Ticket.

C. Play Symbol - The printed data under the latex on the front of the Scratch Ticket that is used to determine eligibility for a prize. Each Play Symbol is printed in Symbol font in black ink in positive except for dual-image games. The possible black Play Symbols are: 01, 03, 04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 2X SYMBOL, 5X SYMBOL, 20X SYMBOL, $20.00, $40.00, $50.00, $100, $200, $500, $2,000, $20,000, $100,000 and $1,000,000.

D. Play Symbol Caption - The printed material appearing below each Play Symbol which explains the Play Symbol. One caption appears under each Play Symbol and is printed in caption font in black ink in positive. The Play Symbol Caption which corresponds with and verifies each Play Symbol is as follows:

Figure 1: GAME NO. 2738 - 1.2D

PLAY SYMBOL	CAPTION
01	ONE
03	THR
04	FOR
06	SIX
07	SVN
08	EGT
09	NIN
10	TEN
11	ELV
12	TLV
13	TRN
14	FTN
15	FFN
16	SXN
17	SVT
18	ETN
19	NTN
21	TWON
22	TWTO
23	TWTH
24	TWFR
25	TWFV
26	TWSX
27	TWSV
28	TWET
29	TWNI
30	TRTY
31	TRON

32	TRTO
33	TRTH
34	TRFR
35	TRFV
36	TRSX
37	TRSV
38	TRET
39	TRNI
40	FRTY
41	FRON
42	FRTO
43	FRTH
44	FRFR
45	FRFV
46	FRSX
47	FRSV
48	FRET
49	FRNI
50	FFTY
51	FFON
52	FFTO
53	FFTH
54	FFFR
55	FFFV
56	FFSX
57	FFSV
58	FFET
59	FFNI
60	SXTY
2X SYMBOL	DBL
5X SYMBOL	WINX5

20X SYMBOL	WINX20
$20.00	TWY$
$40.00	FRTY$
$50.00	FFTY$
$100	ONHN
$200	TOHN
$500	FVHN
$2,000	TOTH
$20,000	20TH
$100,000	100TH
$1,000,000	TPPZ

E. Serial Number - A unique thirteen (13) digit number appearing under the latex scratch-off covering on the front of the Scratch Ticket. The Serial Number is for validation purposes and cannot be used to play the game. The format will be: 0000000000000.

F. Bar Code - A twenty-four (24) character interleaved two (2) of five (5) Bar Code which will include a four (4) digit game ID, the seven (7) digit Pack number, the three (3) digit Ticket number and the ten (10) digit Validation Number. The Bar Code appears on the back of the Scratch Ticket.

G. Game-Pack-Ticket Number - A fourteen (14) digit number consisting of the four (4) digit game number (2738), a seven (7) digit Pack number, and a three (3) digit Ticket number. Ticket numbers start with 001 and end with 025 within each Pack. The format will be: 2738-0000001-001.

H. Pack - A Pack of "MONACO MILLIONAIRE" Scratch Ticket Game contains 025 Scratch Tickets, packed in plastic shrink-wrapping and fanfolded in pages of one (1). The Packs will alternate. One will show the front of Ticket 001 and back of 025 while the other fold will show the back of Ticket 001 and front of 025.

I. Non-Winning Ticket - A Scratch Ticket which is not programmed to be a winning Scratch Ticket or a Scratch Ticket that does not meet all of the requirements of these Game Procedures, the State Lottery Act (Texas Government Code, Chapter 466), and applicable rules adopted by the Texas Lottery and Charitable Bingo Division of the Texas Department of Licensing and Regulation ("Texas Lottery") pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140.

J. Scratch Ticket Game, Scratch Ticket or Ticket - A Texas Lottery "MONACO MILLIONAIRE" Scratch Ticket Game No. 2738.

2.0 Determination of Prize Winners. The determination of prize winners is subject to the general Scratch Ticket validation requirements set forth in Texas Lottery Rule 140.302, Scratch Ticket Game Rules, these Game Procedures, and the requirements set out on the back of each Scratch Ticket. A prize winner in the "MONACO MILLIONAIRE" Scratch Ticket Game is determined once the latex on the Scratch Ticket is scratched off to expose sixty-two (62) Play Symbols. If a player matches any of the YOUR NUMBERS Play Symbols to any of the WINNING NUMBERS Play Symbols, the player wins the prize for that number. If the player reveals a "2X" Play Symbol, the player wins DOUBLE the prize for that symbol. If the player reveals a "5X" Play Symbol, the player wins 5 TIMES the prize for that symbol. If the player reveals a "20X" Play Symbol, the player wins 20 TIMES the prize for that symbol. No portion of the Display Printing nor any extraneous matter whatsoever shall be usable or playable as a part of the Scratch Ticket.

2.1 Scratch Ticket Validation Requirements.

A. To be a valid Scratch Ticket, all of the following requirements must be met:

1. Exactly sixty-two (62) Play Symbols must appear under the Latex Overprint on the front portion of the Scratch Ticket;

2. Each of the Play Symbols must have a Play Symbol Caption underneath, unless specified, and each Play Symbol must agree with its Play Symbol Caption;

3. Each of the Play Symbols must be present in its entirety and be fully legible;

4. Each of the Play Symbols must be printed in black ink except for dual image games;

5. The Scratch Ticket shall be intact;

6. The Serial Number and Game-Pack-Ticket Number must be present in their entirety and be fully legible;

7. The Serial Number must correspond, using the Texas Lottery's codes, to the Play Symbols on the Scratch Ticket;

8. The Scratch Ticket must not have a hole punched through it, be mutilated, altered, unreadable, reconstituted or tampered with in any manner;

9. The Scratch Ticket must not be counterfeit in whole or in part;

10. The Scratch Ticket must have been issued by the Texas Lottery in an authorized manner;

11. The Scratch Ticket must not have been stolen, nor appear on any list of omitted Scratch Tickets or non-activated Scratch Tickets on file at the Texas Lottery;

12. The Play Symbols, Serial Number and Game-Pack-Ticket Number must be right side up and not reversed in any manner;

13. The Scratch Ticket must be complete and not miscut, and have exactly sixty-two (62) Play Symbols under the Latex Overprint on the front portion of the Scratch Ticket, exactly one Serial Number and exactly one Game-Pack-Ticket Number on the Scratch Ticket;

14. The Serial Number of an apparent winning Scratch Ticket shall correspond with the Texas Lottery's Serial Numbers for winning Scratch Tickets, and a Scratch Ticket with that Serial Number shall not have been paid previously;

15. The Scratch Ticket must not be blank or partially blank, misregistered, defective or printed or produced in error;

16. Each of the sixty-two (62) Play Symbols must be exactly one of those described in Section 1.2.C of these Game Procedures;

17. Each of the sixty-two (62) Play Symbols on the Scratch Ticket must be printed in the Symbol font and must correspond precisely to the artwork on file at the Texas Lottery; the Scratch Ticket Serial Numbers must be printed in the Serial font and must correspond precisely to the artwork on file at the Texas Lottery; and the Game-Pack-Ticket Number must be printed in the Game-Pack-Ticket Number font and must correspond precisely to the artwork on file at the Texas Lottery;

18. The Display Printing on the Scratch Ticket must be regular in every respect and correspond precisely to the artwork on file at the Texas Lottery; and

19. The Scratch Ticket must have been received by the Texas Lottery by applicable deadlines.

B. The Scratch Ticket must pass all additional validation tests provided for in these Game Procedures, the Texas Lottery's Rules governing the award of prizes of the amount to be validated, and any confidential validation and security tests of the Texas Lottery.

C. Any Scratch Ticket not passing all of the validation requirements is void and ineligible for any prize and shall not be paid. However, the Executive Director of the Texas Lottery ("Executive Director") may, solely at the Executive Director's discretion, refund the retail sales price of the Scratch Ticket. In the event a defective Scratch Ticket is purchased, the only responsibility or liability of the Texas Lottery shall be to replace the defective Scratch Ticket with another unplayed Scratch Ticket in that Scratch Ticket Game (or a Scratch Ticket of equivalent sales price from any other current Texas Lottery Scratch Ticket Game) or refund the retail sales price of the Scratch Ticket, solely at the Executive Director's discretion.

2.2 Programmed Game Parameters.

A. GENERAL: The top Prize Symbol will appear on every Ticket, unless restricted by other parameters, play action or prize structure.

B. GENERAL: Consecutive Non-Winning Tickets within a Pack will not have matching patterns, in the same order, of either Play Symbols or Prize Symbols.

C. KEY NUMBER MATCH: No prize amount in a non-winning spot will correspond with the YOUR NUMBERS Play Symbol (i.e., 30 and $30).

D. KEY NUMBER MATCH: There will be no matching non-winning YOUR NUMBERS Play Symbols on a Ticket.

E. KEY NUMBER MATCH: There will be no matching WINNING NUMBERS Play Symbols on a Ticket.

F. KEY NUMBER MATCH: A non-winning Prize Symbol will never match a winning Prize Symbol.

G. KEY NUMBER MATCH: A Ticket may have up to four (4) matching non-winning Prize Symbols, unless restricted by other parameters, play action or prize structure.

H. KEY NUMBER MATCH: The "2X" (DBL) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

I. KEY NUMBER MATCH: The "5X" (WINX5) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

J. KEY NUMBER MATCH: The "20X" (WINX20) Play Symbol will only appear on winning Tickets, as dictated by the prize structure.

2.3 Procedure for Claiming Prizes.

A. To claim a "MONACO MILLIONAIRE" Scratch Ticket Game prize of $20.00, $40.00, $50.00, $100, $200 or $500, a claimant shall sign the back of the Scratch Ticket in the space designated on the Scratch Ticket and may present the winning Scratch Ticket to any Texas Lottery Retailer. The Texas Lottery Retailer shall verify the claim and, if valid, and upon presentation of proper identification, if appropriate, make payment of the amount due the claimant and physically void the Scratch Ticket; provided that the Texas Lottery Retailer may, but is not required, to pay a $40.00, $50.00, $100, $200 or $500 Scratch Ticket Game. In the event the Texas Lottery Retailer cannot verify the claim, the Texas Lottery Retailer shall provide the claimant with a claim form and instruct the claimant on how to file a claim with the Texas Lottery. If the claim is validated by the Texas Lottery, a check shall be forwarded to the claimant in the amount due. In the event the claim is not validated, the claim shall be denied and the claimant shall be notified promptly. A claimant may also claim any of the above prizes under the procedure described in Section 2.3.B and Section 2.3.C of these Game Procedures.

B. To claim a "MONACO MILLIONAIRE" Scratch Ticket Game prize of $2,000, $20,000, $100,000 or $1,000,000, the claimant must sign the winning Scratch Ticket and may present it at one of the Texas Lottery's Claim Centers. If the claim is validated by the Texas Lottery, payment will be made to the bearer of the validated winning Scratch Ticket for that prize upon presentation of proper identification. When paying a prize of $600 or more, the Texas Lottery shall file the appropriate income reporting form with the Internal Revenue Service (IRS) and shall withhold federal income tax at a rate set by the IRS if required. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

C. As an alternative method of claiming a "MONACO MILLIONAIRE" Scratch Ticket Game prize, the claimant may submit the signed winning Scratch Ticket and a thoroughly completed claim form via mail. If a prize value is $1,000,000 or more, the claimant must also provide proof of Social Security number or Tax Payer Identification (for U.S. Citizens or Resident Aliens). Mail all to: Texas Lottery, P.O. Box 16600, Austin, Texas 78761-6600. The Texas Lottery is not responsible for Scratch Tickets lost in the mail. In the event that the claim is not validated by the Texas Lottery, the claim shall be denied and the claimant shall be notified promptly.

D. Prior to payment by the Texas Lottery of any prize, the Texas Lottery shall deduct the amount of a delinquent tax or other money from the winnings of a prize winner who has been finally determined to be:

1. delinquent in the payment of a tax or other money to a state agency and that delinquency is reported to the Comptroller under Government Code §403.055;

2. in default on a loan made under Chapter 52, Education Code;

3. in default on a loan guaranteed under Chapter 57, Education Code; or

4. delinquent in child support payments in the amount determined by a court or a Title IV-D agency under Chapter 231, Family Code.

E. If a person is indebted or owes delinquent taxes to the State, other than those specified in the preceding paragraph, the winnings of a person shall be withheld until the debt or taxes are paid.

F. If a person is indebted or owes delinquent taxes to the State, and is selected as a winner in a promotional second-chance drawing, the debt to the State must be paid within 14 days of notification or the prize will be awarded to an Alternate.

2.4 Allowance for Delay of Payment. The Texas Lottery may delay payment of the prize pending a final determination by the Executive Director, under any of the following circumstances:

A. if a dispute occurs, or it appears likely that a dispute may occur, regarding the prize;

B. if there is any question regarding the identity of the claimant;

C. if there is any question regarding the validity of the Scratch Ticket presented for payment; or

D. if the claim is subject to any deduction from the payment otherwise due, as described in Section 2.3.D of these Game Procedures. No liability for interest for any delay shall accrue to the benefit of the claimant pending payment of the claim.

2.5 Payment of Prizes to Persons Under 18. If a person under the age of 18 years is entitled to a cash prize under $600 from the "MONACO MILLIONAIRE" Scratch Ticket Game, the Texas Lottery shall deliver to an adult member of the minor's family or the minor's guardian a check or warrant in the amount of the prize payable to the order of the minor.

2.6 If a person under the age of 18 years is entitled to a cash prize of $600 or more from the "MONACO MILLIONAIRE" Scratch Ticket Game, the Texas Lottery shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

2.7 Scratch Ticket Claim Period. All Scratch Ticket Game prizes must be claimed within 180 days following the end of the Scratch Ticket Game or within the applicable time period for certain eligible military personnel as set forth in Texas Government Code §466.408. Any rights to a prize that is not claimed within that period, and in the manner specified in these Game Procedures and on the back of each Scratch Ticket, shall be forfeited.

2.8 Disclaimer. The number of prizes in a game is approximate based on the number of Scratch Tickets ordered. The number of actual prizes available in a game may vary based on number of Scratch Tickets manufactured, testing, distribution, sales and number of prizes claimed. A Scratch Ticket Game may continue to be sold even when all the top prizes have been claimed.

2.9 Promotional Second-Chance Drawings. Any Non-Winning "MONACO MILLIONAIRE" Scratch Ticket may be entered into one (1) of five (5) promotional drawings for a chance to win a promotional second-chance drawing prize. See instructions on the back of the Scratch Ticket for information on eligibility and entry requirements.

3.0 Scratch Ticket Ownership.

A. Until such time as a signature is placed upon the back portion of a Scratch Ticket in the space designated, a Scratch Ticket shall be owned by the physical possessor of said Scratch Ticket. When a signature is placed on the back of the Scratch Ticket in the space designated, the player whose signature appears in that area shall be the owner of the Scratch Ticket and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, the Executive Director shall make payment to the player whose signature appears on the back of the Scratch Ticket in the space designated. If more than one name appears on the back of the Scratch Ticket, the Executive Director will require that one of those players whose name appears thereon be designated by such players to receive payment.

B. The Texas Lottery shall not be responsible for lost or stolen Scratch Tickets and shall not be required to pay on a lost or stolen Scratch Ticket.

4.0 Number and Value of Scratch Ticket Prizes. There will be approximately 5,040,000 Scratch Tickets in the Scratch Ticket Game No. 2738. The approximate number and value of prizes in the game are as follows:

Figure 2: GAME NO. 2738 - 4.0

Prize Amount	Approximate Number of Winners*	Approximate Odds are 1 in **
$20.00	504,000	10.00
$40.00	302,400	16.67
$50.00	352,800	14.29
$100	126,000	40.00
$200	57,036	88.37
$500	4,200	1,200.00
$2,000	252	20,000.00
$20,000	20	252,000.00
$100,000	5	1,008,000.00
$1,000,000	4	1,260,000.00

*The number of prizes in a game is approximate based on the number of tickets ordered. The number of actual prizes available in a game may vary based on number of tickets manufactured, testing, distribution, sales and number of prizes claimed.
**The overall odds of winning a prize are 1 in 3.74. The individual odds of winning for a particular prize level may vary based on sales, distribution, testing, and number of prizes claimed.

A. The actual number of Scratch Tickets in the game may be increased or decreased at the sole discretion of the Texas Lottery.

5.0 End of the Scratch Ticket Game. The Executive Director may, at any time, announce a closing date (end date) for the Scratch Ticket Game No. 2738 without advance notice, at which point no further Scratch Tickets in that game may be sold. The determination of the closing date and reasons for closing will be made in accordance with the Scratch Ticket Game closing procedures and the Scratch Ticket Game Rules. See 16 TAC §140.302(j).

6.0 Governing Law. In purchasing a Scratch Ticket, the player agrees to comply with, and abide by, these Game Procedures for Scratch Ticket Game No. 2738, the State Lottery Act (Texas Government Code, Chapter 466), applicable rules adopted by the Texas Lottery pursuant to the State Lottery Act and referenced in 16 TAC, Chapter 140, and all final decisions of the Executive Director.

TRD-202601325
Deanne Rienstra
General Counsel Lottery and Charitable Bingo
Texas Department of Licensing and Regulation
Filed: March 18, 2026

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Motor Vehicle Crime Prevention Authority

Fiscal Year 2027 Request for Applications - Catalytic Converter Theft Prevention Grant

March 16, 2026

Notice of Request for Applications

The Motor Vehicle Crime Prevention Authority (MVCPA) has authorized the issuance of the Fiscal Year 2027 (FY 2027) Request for Applications (RFA). Senate Bill 224 provides that, "The money deposited to the credit of the general revenue fund for coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft in this state…may be appropriated to the Authority for the activities required by this section." To implement SB 224, the MVCPA is providing Catalytic Converter Theft Prevention Grants to local law enforcement taskforces and agencies to combat Catalytic Converter Theft.

Eligible applicants may request funds for program operation by submission of an application consistent with the information, including the requirements and conditions stated in this RFA. This RFA is posted in the *Texas Register* for at least thirty (30) days prior to the due date for Applications.

All applications submitted will be for FY 2027. If awarded an FY 2027 Catalytic Converter Theft Prevention Grant, the MVCPA may provide a FY 2027 grant subject to availability of funding and grantee's positive program performance.

Due Date

Grant Applications from eligible applicants must be completely submitted on-line at https://MVCPA.tamu.edu on or before 5:00 p.m., May

8, 2026. First time applicants must establish an account and perform account setup steps prior to an application being able to be submitted.

The required Resolution and any optional supporting documents must be scanned and submitted as attachments to the application at https://MVCPA.tamu.edu on or before 5:00 p.m., May 8, 2026.

Applicable Authority and Rules

Motor Vehicle Crime Prevention Authority grant programs are governed by the following statutes, rules, standards, and guidelines:

Texas Transportation Code Chapter 1006 (https://statutes.capitol.texas.gov/Docs/TN/htm/TN.1006.htm)

Texas Administrative Code (TAC): Title 43; Part 3; Chapter 57 (https://texas-sos.appianportalsgov.com/rules-and-meetings?interface=SEARCH_TAC)

Texas Grant Management Standards (TxGMS) as promulgated by the Texas Comptroller of Public Accounts (https://comptroller.texas.gov/purchasing/grant-management/)

The current Motor Vehicle Crime Prevention Authority Grant Administrative Manual and any subsequent adopted grantee instruction manuals (https://www.txdmv.gov/sites/default/files/bodyfiles/MVCPA_2025_Grant_Administrative_Manual.pdf)

This Request for Applications was issued on March 16, 2026.

Eligible Applicants.

Only Texas law enforcement agencies through their city or county are eligible to apply for the FY 2027 Catalytic Converter Theft Prevention Grant funding.

Application Category

New Grant - These are potentially annual grants subject to available legislative funding. A 20 % Cash Match is required for this application. Applicants meeting eligibility requirements may submit a new grant application to the priority established by the MVCPA in the FY 2027 RFA. New applicants shall email MVCPA at GrantsMVCPA@txdmv.gov from an official governmental agency email account to request an account and that access be established.

Grant Type

Reimbursement - This is a total program budget reimbursement grant. Applicants that are awarded grants will expend local (agency) funds and then will be reimbursed quarterly, subject to compliance with standard and special conditions as contained in the Statement of Grant Award (SGA), at the agreed rate for all allowable, reasonable, and necessary program costs incurred.

Grant Term

The FY 2027 grant cycle is a one (1) year funding cycle to begin on September 1, 2026, and end August 31, 2027. Subject to availability of funding and grantee's positive program performance, the MVCPA may provide a FY 2028 grant using the same on-line application systems and prorated budget values as originally submitted. No obligations or expenses may be incurred or made outside of the grant period(s).

Method of Application

Grant Applications from eligible applicants shall be completely submitted on-line at https://MVCPA.tamu.edu on or before 5:00 p.m., May 8, 2026. All forms will be completed on-line. The Resolution and all supporting documents must be submitted as attachments.

Resolution Required

A Resolution (Order or Ordinance) by the applicant governing body is required to make application for these funds. The resolution shall provide that the governing body applies for the funds for the purpose provided in statute (SB 224 and this RFA) and agrees to return the grant funds in the event of loss or misuse and designate the officials that the governing body chooses as its agents to make uniform assurances and administer the grant if awarded.

Only the governing body that submits an application needs to adopt and submit a Resolution. Participating jurisdictions in multi-agency taskforces shall agree and commit to the grant through Interlocal Cooperation Contract or agreements as provided under Texas Local Government Code Chapter 362, Texas Government Code Chapter 791, and TxGMS.

In the event a governing body has delegated the application authority to a city manager, chief of police, sheriff or other official, then applicants must submit on-line a copy of the delegation order (documentation) along with the Resolution signed by the official. A sample Resolution is attached as Appendix A.

Program Category

To be eligible for consideration for funding, a law enforcement taskforce grant application must be designed to support one or more of the following MVCPA program categories (43 TAC §57.14):

Law Enforcement, Detection, and Apprehension - provide financial assistance to support law enforcement agencies for economic motor vehicle theft, including, but not limited to, theft of a catalytic converter attached to a motor vehicle, and fraud-related motor vehicle crime enforcement teams (referred to as taskforces). Taskforces will develop organized methods to combat economic motor vehicle theft, including, but not limited to, theft of a catalytic converter attached to a motor vehicle, burglary of a motor vehicle and fraud-related motor vehicle crime through the enforcement of law. This may include recovery of vehicles, clearance of cases, arrest of law violators, and disruption of organized motor vehicle crime. This category includes the development of uniform programs to prevent stolen motor vehicles and stolen catalytic converters from entering Mexico or being removed from Texas through outbound seaports.

Prosecution/Adjudication/Conviction - provide financial support for taskforces to work with prosecutors and the judiciary to implement programs designed to reduce the incidence of catalytic converter theft.

Prevention, Anti-Theft Devices and Automobile Registration - provide financial support for taskforces to work with organizations and communities to reduce the incidence of catalytic converter theft. The application shall demonstrate how financial support will assist motor vehicle owners to reduce catalytic converter theft.

Reduction of the Sale of Stolen Vehicles or Parts - provide financial support for taskforces to work with businesses, organizations, and communities to reduce the sale of catalytic converters. Applicants will develop organized methods to combat the sale of stolen catalytic converters using any of the following: vehicle identification number (VIN) inspections; inspections of motor vehicle part and component distribution enterprises; parts labeling and etching methods; and means to detect the fraudulent sale of stolen catalytic converters.

Educational Programs and Marketing - provide financial support for taskforces to work with individuals, businesses, organizations, and communities to assist motor vehicle owners in detecting and preventing catalytic converter theft. Develop and provide specialized training or education program(s) to the public on detecting and preventing catalytic converter theft, law enforcement on interdiction and prosecution, and government officials on detecting and preventing catalytic converter theft in this state.

Priority Funding

The MVCPA enabling statute provides that "The authority shall allocate grant funds primarily based on the number of motor vehicles stolen in, or the motor vehicle burglary or theft rate across, and the number of fraud-related motor vehicle crimes committed in the state rather than based on geographic distribution." (Tex. Transp. Code §1006.151(c); SB 224). In addition, the following grant features will be given priority consideration in evaluating new grant applications:

Continuing Funded Programs in Compliance with MVCPA Grant Conditions - Applications that provide for the continuation of existing programs that currently meet the program and fiscal reporting conditions of the MVCPA grant program. Applicants must provide the ongoing need and their progress and impactful performance toward detecting and preventing catalytic converter theft.

The applicant must describe the experience and qualifications of investigators used in the program and how utilization of grant inventory and resources for continued operation of these specialized investigative grant programs are useful for state and local governments.

Programs to Combat Organized Catalytic Converter Crime - Applications for detecting and preventing catalytic converter theft enforcement teams that introduce, increase, or expand efforts to detect and prevent theft of catalytic converters by organized crime.

Border and Port Security - Applications that provide specific initiatives to identify and prevent stolen catalytic converters from crossing the border with Mexico using automatic license plate readers, training of local state and federal personnel in the identification of stolen vehicles, and bridge and port inspections.

Use of Technology - Applications that incorporate automatic license plate reader programs, surveillance equipment, and other uses of technology to increase the number of stolen catalytic converters recovered and the number of persons arrested for catalytic converter crimes.

Theft of Parts from a Motor Vehicle - Applications that incorporate a reasonable, objective plan to combat and prevent the theft of catalytic converters.

Dedicated Prosecutors - Applications that incorporate a dedicated prosecutor to increase the priority of catalytic converter theft prosecutions and decrease the number of repeat offenders through successful and timely prosecution efforts.

Supporting Documents

Documents that provide evidence of local support or commitment from other officials or agencies for the application may be submitted following the same instructions as the Resolution. Interagency agreements shall be submitted prior to payments being authorized if an award is made. MVCPA recommends that interagency agreements be completed after award determinations are made to ensure correct amounts are reflected in those agreements. All interagency agreements must meet the conditions and elements required in the TxGMS.

Supplanting Prohibited

Grant funds provided by the Authority under this RFA shall not be used to supplant federal, state or local funds that otherwise would be available for the same purposes (43 Texas Administrative Code §57.9). Supplanting means the replacement of other funds with MVCPA grant funds. This shall include using existing resources already available to a program activity as cash match.

Cash Match Requirement

All applications for programs must provide at least a twenty (20%) percent cash match (Texas Administrative Code Title 43 §57.36). Multijurisdictional agencies must provide details for the method of cash match in intergovernmental agreements (Texas Government Code, Chapter 791). Cash match must meet the requirements provided in TxGMS.

Formulas to calculate cash match:

1. Total MVCPA grant funds requested multiplied by percentage of match required = Total Amount of Cash Match Required

2. Total Program Cost minus Total Cash Match Required = Total Authority Grant Request

NICB in Lieu of Cash - Applicants may enter into formal agreements with the National Insurance Crime Bureau (NICB) to work on grant funded activities. The amount of salary and other direct costs related to the work on grant activity provided by the NICB may be counted and reported as in lieu of cash match. Time certifications are required to be made by the employee for these positions as required by TXGMS. Applicants must meet the obligation expressed as cash match in the event NICB cannot meet its obligation.

In-Kind Match

Only include in-kind match if necessary for the local jurisdiction. In-kind match may be used to: 1) reflect the total level of jurisdictions' effort/costs to combat catalytic converter theft; 2) reflect how the grant program fits into jurisdictions' operation; 3) effectively operate a single program with multiple funding streams; and/or 4) contributions from the applicant or third parties that are for grant funded activity. Costs in detail line items shall not be split between in-kind match and grant funding. For example, the entire salary of an officer shall be placed in one expense type rather than split between grant and in-kind.

Reporting and Webinar Attendance Requirements

Applicants that are awarded grants will be required to provide:

Quarterly Progress Reports - The MVCPA requires the submission of quarterly progress reports to demonstrate progress toward meeting goals and activities provided in the grant application. These include: 1) Monthly progress toward meeting statutorily required performance measures; 2) Monthly progress recorded on the Goals, Strategies and Activities report; and 3) Quarterly Summary and Success section. Grantees designated as Border/Port Security grants are required to complete additional sections required by the Texas Legislature.

Quarterly Financial Reports - Reports of actual expenses incurred are required to request funds. All expenditures must be in accordance with local policies and procedures and grant requirements. Grantees shall review all expenditures, ensure all applicable regulations are followed, and maintain documentation that is accurate and complete. All expenses must be supported by appropriate documentation.

Microsoft TEAMS Attendance: One grant financial representative from the applicant agency is required to attend a monthly session via teleconference or webinar that includes information on MVCPA grant administration.

One law enforcement officer is required to attend the information sharing and networking sessions on a monthly session via TEAMS meeting that includes law enforcement issues and other MVCPA issues critical to the successful operation of MVCPA taskforces.

Funding Requirements and Conditions - Awards

State Funds Availability - All awards by the MVCPA are subject to availability of state funds.

Right of Refusal - The Authority reserves the right to reject any or all of the applications submitted.

Publishing the RFA does not legally obligate the Authority to fund any programs.

Partial Funding - The Authority may choose to offer funds for all, or any portion of a program submitted in an application.

Substitution - The Authority may offer alternative funding sources, special conditions, or alternative program elements in response to submitted Applications.

Application Required - Registration for on-line access is required. The MVCPA is not responsible for applicants that cannot complete the registration and application process on time.

No Alternative Application Submission - Paper applications and requests for funding are not accepted in lieu of the on-line grant application process.

Review Criteria - Authority staff and any designated MVCPA Board member(s) will review each grant using subjective and objective tools and comparative analysis. The weight given to each section or combination of sections is at the sole discretion of the Authority.

Questions and Clarification - During the review period, the applicant may be contacted by Authority staff to ask questions or to seek clarification regarding information provided in the application. Failure to promptly respond will not disqualify an applicant, but information that is submitted after the review period may not be considered.

Final Selection - The Authority may select and award programs that best meet the statutory and legislative purposes of SB 224 and that reflect its current priorities. No appeal may be made regarding the Authority's decisions.

Changes in Application - If an applicant proposes changes to be made in the program type or participation of jurisdictions after an award is determined, then the Authority will review the changes and may make modifications (including the amount) or cancel the award as deemed appropriate by the Authority.

Delayed Start - An applicant that is awarded a grant and does not begin operations within 30 days of the issuance of the Statement of Grant Award is considered terminated.

Application instructions - the MVCPA will provide additional details and instructions in the on-line application system that are incorporated by reference as part of this RFA and which must be followed during the application and award process.

Program Income - is defined in the TxGMS. Current grantees carrying forward program income to future years will follow the new rules established by the Texas Comptroller and MVCPA Grant Administrative Manual.

TCOLE Certification R equired - T he P rimary L aw Enforcement Grantee must attest compliance with TCOLE licensing requirements for peace officers.

Selection Process:

Eligible applications will be reviewed. Grant award decisions by MVCPA are final and not subject to judicial review.

Applications that do not meet the stated requirements of this RFA and that are not eligible for review will be notified within ten (10) working days after the due date.

Application Workshop

Potential applicants are required to attend the in person "Motor Vehicle Crime Prevention Authority Grant Application Workshop" which has been scheduled for: April 8, 2026 from 8:00 a.m. - 5:00 p.m. at:

Eilan Hotel & Spa

18603 La Cantera Terrace

San Antonio, Texas 78256

Phone #: (210) 598-2900

Website: www.eilanhotel.com

The informational session will provide details on the grant Application process including grant eligibility requirements, completing the various Application sections, and the grant cycle timeline. At least one representative of the potential grant applicant should be present at this workshop.

Contact Person

William Diggs, MVCPA Director,

Texas Motor Vehicle Crime Prevention Authority

4000 Jackson Avenue

Austin, Texas 78731

(512) 465-1485

GrantsMVCPA@txdmv.gov

MVCPA Application Checklist

Each Applicant must:

1) Complete the on-line Application on or before **5:00 PM, May 8, 2026.**
2) Complete the Resolution with the city or county and attach with other supporting documents on or before **5:00 PM, May 8, 2026.**

Appendix A

Updated Sample Motor Vehicle Crime Prevention Authority Resolution

Applicants must use the language below to meet the minimum legal elements to execute an agreement with the MVCPA through the grant application process. Cities and counties not wanting to use the sample below must address all the legal elements contained herein.

2027 Blank City / County Resolution or Order or Ordinance

Motor Vehicle Crime Prevention Authority

2027 Blank City / County Resolution

Catalytic Converter Theft Prevention Grant Program

WHEREAS, under the provisions of the Texas Transportation Code Chapter 1006 and Texas Administrative Code Title 43; Part 3; Chapter 57, entities are eligible to receive grants from the Motor Vehicle Crime Prevention Authority to provide financial support to law enforcement taskforces and agencies for economic motor vehicle theft, including catalytic converter theft; and

WHEREAS, this grant program will assist this jurisdiction to combat catalytic converter theft; and
WHEREAS, [GOVERNMENTAL ENTITY] has agreed that in the event of loss or misuse of the grant funds, [GOVERNMENTAL ENTITY] agrees and assures that the grant funds will be returned in full to the Motor Vehicle Crime Prevention Authority.

NOW THEREFORE, BE IT RESOLVED and ordered that [TITLE], is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Motor Vehicle Crime Prevention Authority Grant Program and all other necessary documents to accept said grant; and

BE IT FURTHER RESOLVED that [TITLE] is designated as the Program Director and [TITLE] is designated as the Financial Officer for this grant.

Adopted this _____day of _____, 2026.

_____
NAME:
TITLE: County Judge / Mayor / City Manager

TRD-202601267

William Diggs
MVCPA Director
Motor Vehicle Crime Prevention Authority
Filed: March 16, 2026

♦ ♦ ♦

Fiscal Year 2027 Request for Applications - Taskforce Grant

March 16, 2026

Notice of Request for Applications

The Motor Vehicle Crime Prevention Authority (MVCPA) authorized the issuance of the Fiscal Year 2027 (FY 2027) Request for Applications (RFA). MVCPA is authorized in statute to provide grants to local law enforcement to combat motor vehicle theft, burglary from a motor vehicle and/or fraud-related motor vehicle crime.

Eligible applicants may request funds for program operation by submission of an application consistent with the requirements and conditions stated in this RFA. This RFA is posted in the *Texas Register* as required by law for at least thirty (30) days prior to the due date for Applications.

All applications submitted will be for FY 2027. If previously awarded a FY 2026 grant the MVCPA may provide a FY 2027 grant subject to availability of funding and grantees' positive program performance.

Due Date

Grant Applications from eligible applicants must be completely submitted on-line at https://MVCPA.tamu.edu on or before 5:00 p.m., May 8, 2026. First time applicants must establish an account and perform account setup steps prior to an application being able to be submitted.

The required Resolution and any optional supporting documents must be scanned and submitted as attachments to the application at https://MVCPA.tamu.edu on or before 5:00 p.m., May 8, 2026.

Applicable Authority and Rules

Motor Vehicle Crime Prevention Authority grant programs are governed by the following statutes, rules, standards, and guidelines:

Texas Transportation Code Chapter 1006 (https://statutes.capitol.texas.gov/Docs/TN/htm/TN.1006.htm)

Texas Administrative Code (TAC): Title 43; Part 3; Chapter 57 (https://texas-sos.appianportalsgov.com/rules-and-meetings?interface=SEARCH_TAC)

Texas Grant Management Standards (TXGMS) as promulgated by the Texas Comptroller of Public Accounts (https://comptroller.texas.gov/purchasing/grant-management/)

The current Motor Vehicle Crime Prevention Authority Grant Administrative Manual and any subsequent adopted grantee instruction manuals (https://www.txdmv.gov/sites/default/files/body-files/MVCPA_2025_Grant_Administrative_Manual.pdf)

This Request for Applications issued on March 16, 2026

Eligible Applicants

Only Texas law enforcement agencies through their city or county are eligible to apply for Motor Vehicle Crime Taskforce Grants.

Applicants meeting the eligibility requirements may submit a new grant subject to the priority established by the MVCPA in the FY 2027 RFA.

New Grant - Available only to law enforcement agencies. These are annual grants that require a minimum cash match of 20% for the program described in the application. New applicants shall email MVCPA at GrantsMVCPA@txdmv.gov from an official governmental agency email account to request an account and access be established.

Grant Type

Reimbursement - This is a total program budget reimbursement grant. Applicants that are awarded grants will expend local (agency) funds and then will be reimbursed quarterly, subject to compliance with standard and special conditions as contained in the Statement of Grant Award (SGA), at the agreed rate for all allowable, reasonable, and necessary program costs incurred.

Grant Term

The FY 2027 grant cycle is a one (1) year funding cycle to begin on September 1, 2026, and end August 31, 2027. For those grantees who were previously awarded a FY2026 grant, subject to availability of funding and grantee's positive program performance, the MVCPA may provide an FY 2027 grant using the same on-line application systems and budget values as originally submitted. No obligations or expenses may be incurred or made outside of the grant period(s).

Method of Application

Grant Applications from eligible applicants shall be completely submitted on-line at https://MVCPA.tamu.edu on or before 5:00 p.m., May 8, 2026. All forms will be completed on-line. The Resolution and all supporting documents must be submitted as attachments.

Resolution Required

A Resolution (Order or Ordinance) by the applicant governing body is required to make application for these funds. The Resolution shall provide that the governing body applies for the funds for the purpose provided in statute (Texas Transportation Code, Chapter 1006) and agrees to return the grant funds in the event of loss or misuse, and to designate the officials that the governing body chooses as its agents to make uniform assurances and administer the grant if awarded.

Only the governing body submitting an application needs to adopt and submit a Resolution. Participating jurisdictions in multi-agency taskforces shall agree and commit to the grant through interagency agreements as provided under Texas Local Government Code Chapter 362, Texas Government Code Chapter 791 and TxGMS.

In the event a governing body has delegated the application authority to a city manager, chief of police, sheriff or other official then applicants must submit on-line a copy of the delegation order (documentation) along with the Resolution signed by the official. A sample Resolution is attached as Appendix A.

Program Category

To be eligible for consideration for funding, a taskforce grant application must be designed to support one or more of the following MVCPA program categories (43 TAC §57.14):

Law Enforcement, Detection, and Apprehension - provide financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams (referred to as taskforces). Taskforces will develop organized methods to combat motor vehicle theft, including catalytic converter theft, burglary of a motor vehicle and fraud-related motor vehicle crime through the enforcement of law. This may include recovery of vehicles, clearance of cases, arrest of law violators, and disruption of organized motor vehicle crime. This category includes development of uniform programs to prevent stolen motor vehicles from entering Mexico or being removed from Texas through outbound seaports.

Prosecution/Adjudication/Conviction - provide financial support for taskforces to work with prosecutors and the judiciary to implement pro-

grams designed to reduce the incidence of motor vehicle theft, including catalytic converter theft, burglary of a motor vehicle and fraud-related motor vehicle crime.

Prevention, Anti-Theft Devices and Automobile Registration - provide financial support for taskforces to work with organizations and communities to reduce the incidence of motor vehicle theft, including the theft of catalytic converters, burglary of a motor vehicle and/or fraud-related motor vehicle crime. The application shall demonstrate how the financial support will assist automobile owners to reduce motor vehicle theft, burglary of a motor vehicle and fraud-related motor vehicle crime.

Reduction of the Sale of Stolen Vehicles or Parts - provide financial support for taskforces to work with businesses, organizations, and communities to reduce the sale of stolen vehicles or parts, including catalytic converters. Applicants will develop organized methods to combat the sale of stolen vehicles and parts using any of the following: vehicle identification number (VIN) inspection; inspections of motor vehicle part and component distribution enterprises; parts labeling and etching methods; and means to detect the fraudulent selling of stolen parts.

Educational Programs and Marketing - provide financial support for taskforces to work with individuals, businesses, organizations, and communities to assist automobile owners in preventing motor vehicle theft, including catalytic converter theft, burglary of a motor vehicle and fraud-related motor vehicle crime. Develop and provide specialized training or education program(s) to: the public on motor vehicle crime prevention, law enforcement on interdiction and prosecution, and government officials on fraud-related motor vehicle crime prevention, including title and registration fraud.

Priority Funding

The MVCPA enabling statute provides that the "the authority shall allocate grant funds primarily based on the number of motor vehicles stolen in, or the motor vehicle burglary or theft rate across, and the number of fraud-related motor vehicle crimes committed in the state rather than based on geographic distribution." (Tex. Transp. Code §1006.151(c). In addition, the following grant features will be given priority consideration in evaluating new grant applications:

Continuing Funded Programs in Compliance with MVCPA Grant Conditions - Applications that provide for the continuation of existing programs that currently meet the program and fiscal reporting conditions of the MVCPA. Applicants must provide ongoing need and evidence of their progress and impactful performance toward combatting motor vehicle theft, including catalytic converter theft, burglary of a motor vehicle and/or fraud-related motor vehicle crime. The applicant must describe the experience and qualifications of investigators used in the program and how utilization of current grant inventory and resources for continued operation of these specialized investigative grant programs are useful for the state and local governments.

Programs to Combat Organized Economic Crime - Applications for economic motor vehicle theft and fraud- related motor vehicle crime enforcement teams that introduce, increase, or expand efforts to combat criminal activities by organized crime.

Border and Port Security - Applications that provide specific initiatives to identify and prevent stolen vehicles and catalytic converters from crossing the border using automatic license plate readers, training of local state and federal personnel in the identification of stolen vehicles, and bridge and port inspections.

Use of Technology - Applications that incorporate automatic license plate reader programs, surveillance equipment and other uses of technology to increase the number of stolen vehicles recovered and the number of persons arrested for motor vehicle crimes.

Theft of Parts from a Motor Vehicle - Applications that incorporate a reasonable, objective plan to combat and prevent the theft of catalytic converters.

Dedicated Prosecutors - Applications that incorporate a dedicated prosecutor to increase the priority of economic motor vehicle crime case prosecutions and decrease the number of repeat offenders through successful prosecution efforts.

Supporting Documents

Documents that provide evidence of local support or commitment from other officials or agencies for the application may be submitted following the same instructions as the Resolution. Interagency agreements shall be submitted prior to payments being authorized if an award is made. MVCPA recommends that interagency agreements be completed after award determinations are made to ensure correct amounts are reflected in those agreements. All interagency agreements must meet the conditions and elements required in the TxGMS.

Supplanting Prohibited

Grant funds provided by the Authority under this RFA shall not be used to supplant federal, state or local funds that otherwise would be available for the same purposes (Texas Administrative Code Title 43, §57.9). Supplanting means the replacement of other funds with MVCPA grant funds. This shall include using existing resources already available to a program activity as cash match.

Cash Match Requirement

All applications for programs must provide at least a twenty (20%) percent cash match (Texas Administrative Code Title 43 §57.36). Multijurisdictional agencies must provide details for the method of cash match in intergovernmental agreements (Texas Government Code, Chapter 791). Cash match must meet the requirements provided in TxGMS.

Formulas to calculate cash match:

Total MVCPA grant funds requested multiplied by percentage of match required = Total Amount of Cash Match Required

Total Program Cost minus Total Cash Match Required = Total Authority Grant Request

NICB in Lieu of Cash - Applicants may enter into formal agreements with the National Insurance Crime Bureau (NICB) to work on grant funded activities. The amount of salary and other direct costs related to the work on grant activity provided by the NICB may be counted and reported as in lieu of cash match. Time certifications are required to be made by the employee for these positions as required by TXGMS. Applicants must meet the obligation expressed as cash match in the event NICB cannot meet its obligation.

In-Kind Match

Only include in-kind if necessary for the local jurisdiction. In-kind contributions shall not be considered cash match. In-kind match may be used to: 1) reflect the total level of jurisdictions' effort/costs to combat economic motor vehicle crime; 2) reflect how the grant program fits into jurisdictions' operation; 3) effectively operate a single program with multiple funding streams; and/or 4) contributions from the applicant or third parties that are for grant funded activity. Costs in detail line items shall not be split between in-kind match and cash match or grant funding. For example, the entire salary of an officer shall be placed in one expense type rather than split between grant/cash match costs and in-kind.

Reporting and Microsoft TEAMS Meeting Attendance Requirements

Applicants that are awarded grants will be required to provide:

Quarterly Progress Reports - The MVCPA requires submission of quarterly progress reports to demonstrate progress toward meeting goals and activities provided in the grant application. These include: 1) Monthly progress toward statutorily required performance measures; 2) Monthly progress recorded on the Goals, Strategies and Activities report; and 3) Quarterly Summary and Success section. Grantees designated as Border/Port Security grants are required to complete additional sections required by the Texas Legislature.

Quarterly Financial Reports - Reports of actual expenses are provided to request funds. All expenditures must be in accordance with local policies and procedures and grant requirements. Grantees shall review all expenditures, ensure all applicable regulations are followed, and maintain documentation that is accurate and complete. All expenses must be supported by appropriate documentation.

Microsoft Teams Attendance: One grant representative from the applicant agency is required to attend a monthly session via Teams that includes information on MVCPA grant administration.

One law enforcement officer is also required to attend the monthly information sharing and networking sessions on law enforcement issues and other MVCPA issues critical to the successful operation of MVCPA taskforces.

Funding Requirements and Conditions - Awards

State Funds Availability - All awards by the MVCPA are subject to availability of state funds.

Right of Refusal - The Authority reserves the right to reject any applications submitted.

Awards - Publishing the RFA does not legally obligate the Authority to fund any programs.

Partial Funding - The Authority may choose to offer funds for all, or any portion of a program submitted in an application.

Substitution - The Authority may offer alternative funding sources, special conditions, or alternative program elements in response to submitted Applications.

Application Required - Registration for on-line access is required. The MVCPA is not responsible for applicants that cannot complete the registration and application process on time.

No Alternative Application Submission - Paper applications and requests for funding are not accepted in lieu of the on-line grant application process.

Review Criteria - Authority staff and designated MVCPA Board member(s) will review each grant using subjective and objective tools and comparative analysis. The weight given to each section or combination of sections is at the sole discretion of the Authority.

Questions and Clarification - During the review period, the applicant may be contacted by Authority staff to ask questions or to seek clarification regarding information provided in the application. Failure to promptly respond will not disqualify an applicant, but information that is submitted after the review period may not be considered.

Final Selection - The Authority may select and award programs that best meet the statutory purposes and that reflects its current priorities. No appeal may be made from the Authority's decisions.

Changes in Application - If an applicant proposes changes to be made in the program type or participation of jurisdictions after an award is determined, then the Authority will review the changes and may make modifications (including the amount) or cancel the award as deemed appropriate by the Authority.

Delayed Start - An applicant that is awarded a grant and that does not begin operations within 45 days of the beginning of the grant term is considered terminated.

Application instructions - the MVCPA provides additional details and instructions in the on-line application system that are incorporated by reference as part of this RFA and must be followed during the application and award process.

Program Income - is defined in the TxGMS. Current grantees carrying forward program income from prior years will follow the new rules established by the Texas Comptroller and MVCPA Grant Administrative Manual. Budgeted use of Program Income should be specified in the grant budget detail, narrative, and source of income table for FY 2027.

TCOLE Certification Required - The Primary Law Enforcement Grantee must attest compliance with TCOLE licensing requirements for peace officers.

Selection Process:

Eligible applications will be reviewed. Grant award decisions by MVCPA are final and not subject to judicial review. Grants will be awarded on or before September 1, 2026.

Applications that do not meet the stated requirements of this RFA and that are not eligible for review will be notified ten (10) working days after the due date.

Application Workshop

Potential applicants are required to attend the in person "Motor Vehicle Crime Prevention Authority Grant Application Workshop" which has been scheduled for: April 8, 2026 from 8:00 a.m. - 5:00 p.m. at:

Eilan Hotel & Spa

18603 La Cantera Terrace

San Antonio, Texas 78256

Phone #: (210) 598-2900

Website: www.eilanhotel.com

The informational session will provide details on the grant Application process including grant eligibility requirements, completing the various Application sections, and the grant cycle timeline. At least one representative of the potential grant applicant should be present at this workshop.

Contact Person

William Diggs, MVCPA Director

Texas Motor Vehicle Crime Prevention Authority

4000 Jackson Avenue

Austin, Texas 78731

(512) 465-1485

GrantsMVCPA@txdmv.gov

MVCPA Application Checklist

Each Applicant must:

1) Complete the on-line Application on or before **5:00 PM, May 8, 2026.**
2) Complete the Resolution with the city or county and attach with other supporting documents on or before **5:00 PM, May 8, 2026.**

Appendix A

Updated Sample Motor Vehicle Crime Prevention Authority Resolution

Applicants must use the language below to meet the minimum legal elements to execute an agreement with the MVCPA through the grant application process. Cities and counties not wanting to use the sample below must address all the legal elements contained herein.

2027 Blank City/ County Resolution or Order or Ordinance

Motor Vehicle Crime Prevention Authority

2027 BLANK Resolution Taskforce Grant Program

WHEREAS, under the provisions of the Texas Transportation Code Chapter 1006 and Texas Administrative Code Title 43; Part 3; Chapter 57, entities are eligible to receive grants from the Motor Vehicle Crime Prevention Authority to provide financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams; and

WHEREAS, this grant program will assist this jurisdiction to combat motor vehicle theft, motor vehicle burglary and fraud-related motor vehicle crime; and

WHEREAS, [GOVERNMENT ENTITY] has agreed that in the event of loss or misuse of the grant funds, BLANK assures that the grant funds will be returned in full to the Motor Vehicle Crime Prevention Authority.

NOW THEREFORE, BE IT RESOLVED and ordered that [TITLE], is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Motor Vehicle Crime Prevention Authority Grant Program and all other necessary documents to accept said grant; and

BE IT FURTHER RESOLVED that [TITLE], is designated as the Program Director and [TITLE], is designated as the Financial Officer for this grant.

Adopted this _____day of _____, 2026.

_____
NAME:
TITLE: County Judge / Mayor / City Manager

TRD-202601266
William Diggs
MVCPA Director
Motor Vehicle Crime Prevention Authority
Filed: March 16, 2026

♦ ♦ ♦

Plateau Water Planning Group

PWPG Vacancy Notices

WATER DISTRICTS (KERR COUNTY) AND TOURISM (BANDERA COUNTY) REPRESENTATIVES

Please be advised that the Plateau Water Planning Group (PWPG), Region "J" is currently seeking nominations to fill two (2) vacancies on the Regional Planning Group. These vacancies represent (1) Water Districts - Kerr County and (2) Tourism - Bandera County. The

PWPG and Texas Water Development Board (TWDB) believe it is important to maintain balanced geographic representation on the PWPG. Therefore, please note that the referenced "Water Districts" interest represents Kerr County and the "Tourism" interest represents Bandera County.

The Plateau Water Planning Group is a voluntary organization and no funds are available for reimbursement of expenses associated with service to or participation in the planning group. Successful nominees must represent the vacant interests ("Water Districts" and "Tourism") for which the member is sought, be willing to actively participate in the regional water planning process and abide by the PWPG By-Laws. Written nominations must be filed with the Plateau Water Planning Group at the address listed below no later than May 1, 2026.

Submit written nominations to:

Plateau Water Planning Group (PWPG)

Attention: Mr. David Mauk

c/o: Hayli Hernandez

P.O. Box 177

Bandera, Texas 78003

E-Mail: hphillips@bcragd.org

If you have any questions regarding the nomination process or requirements for nominations, please contact Jonathan Letz at (830) 739-1699.

TRD-202601170
Jody Grinstead
Administrative Assistant
Plateau Water Planning Group
Filed: March 12, 2026

♦ ♦ ♦

Public Utility Commission of Texas

Notice of Application to Amend a Certificate of Convenience and Necessity for a Name Change

Notice is given to the public of an application filed with the Public Utility Commission of Texas (commission) on January 12, 2026, to amend a certificate of convenience and necessity for a name change.

Docket Title and Number: Application of Cameron Telephone Company, LLC To Amend Its Certificate of Convenience and Necessity, Docket Number 59227.

The Application: Cameron Telephone Company, LLC filed an application to amend its certificate of convenience and necessity number 40010 to add its assumed name, Fastwyre Broadband.

Persons who wish to intervene or comment on this application should notify the Public Utility Commission by April 27, 2026. Requests for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or you may call the PUCT Consumer Protection Division at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals may contact the commission through Relay Texas at (800) 735-2989. All comments should reference Docket Number 59227.

TRD-202601233
Andrea Gonzalez
Rules Coordinator
Public Utility Commission of Texas
Filed: March 16, 2026

♦ ♦ ♦

How to Use the Texas Register

Information Available: The sections of the *Texas Register* represent various facets of state government. Documents contained within them include:

Governor - Appointments, executive orders, and proclamations.

Attorney General - summaries of requests for opinions, opinions, and open records decisions.

Texas Ethics Commission - summaries of requests for opinions and opinions.

Emergency Rules - sections adopted by state agencies on an emergency basis.

Proposed Rules - sections proposed for adoption.

Withdrawn Rules - sections withdrawn by state agencies from consideration for adoption, or automatically withdrawn by the Texas Register six months after the proposal publication date.

Adopted Rules - sections adopted following public comment period.

Texas Department of Insurance Exempt Filings - notices of actions taken by the Texas Department of Insurance pursuant to Chapter 5, Subchapter L of the Insurance Code.

Review of Agency Rules - notices of state agency rules review.

Tables and Graphics - graphic material from the proposed, emergency and adopted sections.

Transferred Rules - notice that the Legislature has transferred rules within the *Texas Administrative Code* from one state agency to another, or directed the Secretary of State to remove the rules of an abolished agency.

In Addition - miscellaneous information required to be published by statute or provided as a public service.

Specific explanation on the contents of each section can be found on the beginning page of the section. The division also publishes cumulative quarterly and annual indexes to aid in researching material published.

How to Cite: Material published in the *Texas Register* is referenced by citing the volume in which the document appears, the words "TexReg" and the beginning page number on which that document was published. For example, a document published on page 2402 of Volume 51 (2026) is cited as follows: 51 TexReg 2402.

In order that readers may cite material more easily, page numbers are now written as citations. Example: on page 2 in the lower-left hand corner of the page, would be written "51 TexReg 2 issue date," while on the opposite page, page 3, in the lower right-hand corner, would be written "issue date 51 TexReg 3."

How to Research: The public is invited to research rules and information of interest between 8 a.m. and 5 p.m. weekdays at the *Texas Register* office, James Earl Rudder Building, 1019 Brazos, Austin. Material can be found using *Texas Register* indexes, the *Texas Administrative Code* section numbers, or TRD number.

Both the *Texas Register* and the *Texas Administrative Code* are available online at: https://www.sos.texas.gov. The *Texas Register* is available in an .html version as well as a .pdf version through the internet. For website information, call the Texas Register at (512) 463-5561.

Texas Administrative Code

The *Texas Administrative Code (TAC*) is the compilation of all final state agency rules published in the *Texas Register*. Following its effective date, a rule is entered into the *Texas Administrative Code*. Emergency rules, which may be adopted by an agency on an interim basis, are not codified within the *TAC*.

The *TAC* volumes are arranged into Titles and Parts (using Arabic numerals). The Titles are broad subject categories into which the agencies are grouped as a matter of convenience. Each Part represents an individual state agency.

The complete *TAC* is available through the Secretary of State's website at http://www.sos.state.tx.us/tac.

The Titles of the *TAC*, and their respective Title numbers are:

1. Administration
4. Agriculture
7. Banking and Securities
10. Community Development
13. Cultural Resources
16. Economic Regulation
19. Education
22. Examining Boards
25. Health Services
28. Insurance
30. Environmental Quality
31. Natural Resources and Conservation
34. Public Finance
37. Public Safety and Corrections
40. Social Services and Assistance
43. Transportation

How to Cite: Under the *TAC* scheme, each section is designated by a *TAC* number. For example in the citation 1 TAC §91.1: 1 indicates the title under which the agency appears in the *Texas Administrative Code*; *TAC* stands for the *Texas Administrative Code*; §91.1 is the section number of the rule (91 indicates that the section is under Chapter 91 of Title 1; 1 represents the individual section within the chapter).

How to Update: To find out if a rule has changed since the publication of the current supplement to the *Texas Administrative Code*, please look at the *Index of Rules*.

The *Index of Rules* is published cumulatively in the blue-cover quarterly indexes to the *Texas Register*.

If a rule has changed during the time period covered by the table, the rule's *TAC* number will be printed with the *Texas Register* page number and a notation indicating the type of filing (emergency, proposed, withdrawn, or adopted) as shown in the following example.

TITLE 1. ADMINISTRATION
Part 4. Office of the Secretary of State
Chapter 91. Texas Register
1 TAC §91.1…….....950 *(P)*

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