

# 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 19. EDUCATION

### PART 2. TEXAS EDUCATION AGENCY

#### CHAPTER 74. CURRICULUM REQUIREMENTS

##### SUBCHAPTER BB. COMMISSIONER'S RULES CONCERNING HIGH SCHOOL GRADUATION

###### 19 TAC §74.1023

The Texas Education Agency (TEA) adopts an amendment to §74.1023, concerning the financial aid application requirement for high school graduation. The amendment is adopted without changes to the proposed text as published in the February 13, 2026 issue of the *Texas Register* (51 TexReg 812) and will not be republished. The adopted amendment reflects statutory requirements and updates the methods of proof to verify completion of a financial aid application.

**REASONED JUSTIFICATION:** Texas Education Code (TEC), §28.0256, requires a student to complete a financial aid application, either the Free Application for Federal Student Aid (FAFSA) or the Texas Application for Student Financial Aid (TASFA), in order to graduate. The statute provides an exception for students to opt out of the financial aid application requirement by submitting a form signed by a parent, guardian, or student aged 18 years old or older that authorizes the student to decline to comply with the financial aid application graduation requirement. A high school counselor may also authorize a student to decline to comply with the financial aid application graduation requirement for good cause. The opt-out form must be approved by TEA. Additionally, the statute prohibits a counselor from indicating that a student has not complied with the financial aid requirement if the school district or open-enrollment charter school has not provided an opt-out form to the student or student's parent or legal guardian and prohibits a counselor from indicating the manner in which a student met the requirement, except for the purpose of complying with the reporting requirement under TEC, §28.0256(e)(2).

The adopted amendment to 19 TAC §74.1023 aligns the rule with statute. The adopted amendment updates the methods of proof for verification that a student has completed the financial aid application requirement for graduation; prohibits a counselor from indicating that a student has not complied with the financial aid requirement if the school district or open-enrollment charter school has not provided an opt-out form to the student or student's parent or legal guardian; and prohibits a counselor from indicating the manner in which a student met the requirement,

except for the purpose of complying with the reporting requirement under TEC, §28.0256(e)(2).

**SUMMARY OF COMMENTS AND AGENCY RESPONSES:** The public comment period on the proposal began February 13, 2026, and ended March 16, 2026. No public comments were received.

**STATUTORY AUTHORITY.** The amendment is adopted under TEC, §28.0256(a), which requires each student to complete and submit a FAFSA or a TASFA before graduating from high school; TEC, §28.0256(b), which allows a student to formally opt out of the financial aid application requirement by submitting a TEA-approved form; TEC, §28.0256(c), which requires that the adopted opt-out form provide the option for the student's parent or legal guardian, as applicable, to decline to complete and submit an application; TEC, §28.0256(d), which prohibits a counselor from indicating that a student has not complied with the financial aid application requirement if the school district or open-enrollment charter school has not provided the adopted opt-out form to the student or student's parent or legal guardian. Additionally, TEC, §28.0256(d), establishes that a counselor may indicate the manner in which a student complied with the financial aid application requirement only as necessary for the district or school to comply with reporting requirements under TEC §28.0256(e)(2); and TEC, §28.0256(d) and (e)(2), which add open-enrollment charter schools to the financial aid application requirements.

**CROSS REFERENCE TO STATUTE.** The amendment implements TEC, §28.0256(a)-(e).

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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Director, Rulemaking

Texas Education Agency

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For further information, please call: (512) 475-1497

#### CHAPTER 97. PLANNING AND ACCOUNTABILITY

##### SUBCHAPTER EE. ACCREDITATION STATUS, STANDARDS, AND SANCTIONS DIVISION 3. RESOURCE CAMPUSES

## 19 TAC §97.1081

The Texas Education Agency (TEA) adopts new §97.1081, concerning accreditation status, standards, and sanctions. The new section is adopted with changes to the proposed text as published in the January 2, 2026 issue of the *Texas Register* (51 TexReg 21) and will be republished. The adopted new section implements House Bill (HB) 2, 89th Texas Legislature, Regular Session, 2025, related to designation of resource campuses, including application requirements and eligibility.

**REASONED JUSTIFICATION:** Adopted new §97.1081 defines requirements for the resource campus designation authorized under Texas Education Code (TEC), §29.934. The resource campus designation is a school turnaround model designed to improve student outcomes at historically low-performing campuses by incentivizing districts to implement evidence-backed strategies such as accelerated campus excellence (ACE), teacher incentive allotment (TIA), high-quality instructional materials (HQIM), and additional days school year (ADSY) to transform student outcomes and accelerate academic growth. The designation provides state funding and comprehensive supports to accelerate academic growth and sustain improvements over time.

Adopted new subsection (b) defines key words and concepts related to the resource campus designation.

Adopted new subsection (c) outlines application requirements, including application elements and the process school districts must follow in order to be designated by TEA. This process includes submission of a letter of intent and application form, attendance at mandatory training sessions, and alignment to eligibility approval criteria.

Adopted new subsection (d) outlines eligibility requirements for the resource campus designation.

Adopted new subsection (e) outlines requirements and procedures for continued eligibility of the designation.

Adopted new subsection (f) outlines the standards for eligibility for a closed campus to maintain the resource campus designation.

Adopted new subsection (g) outlines the standards for removal and revocation of the resource campus designation, including the timeline for TEA to make renewal and revocation decisions and the criteria by which TEA will make renewal or revocation decisions.

Adopted new subsection (h) specifies the finality of the commissioner's decision.

The following changes were made to the rule at adoption.

In subsection (d)(1), a technical edit was made to specify the timing of eligibility requirements. As adopted, the rule provides that, except as specifically provided in subsection (d), all eligibility criteria must be met at the time of application. This technical edit was made to maintain alignment with TEC, §29.934.

In subsection (d)(2)(B)(iii), a cross reference was updated to ensure accuracy and alignment with the current statutory structure. The change does not alter the substance or intent of the eligibility requirements for the resource campus designation.

Based on public comment, clarification was added in subsection (d)(2)(B)(iii) to align the rule with TEC, §39A.105(b)(5). As adopted, the rule clarifies that the requirement relates to the implementation of data-driven instructional practices rather than

the use of a specific performance management system. This clarification reflects TEA's intent to allow districts flexibility in implementation while ensuring the regular use of student data to inform instruction, monitor progress, and adjust supports. Additional clarification regarding policies and procedures for the implementation of best practices at the campus described by TEC, §39A.105(b), was also added.

Based on public comment, the adopted rule was modified to further clarify the requirements for data-driven instruction in subsection (d)(2)(B)(iii)(I) and add a required unified observation and feedback system in subsection (d)(2)(B)(iii)(II), including an instructional rubric, observer training, calibration protocols, and a method for synthesizing and communicating observation data.

Based on public comment, subsection (d)(2)(C) was modified to align with TEC, §29.934(d)(7), by removing the term "full fidelity" and related prescriptive language. The rule retains the requirement that campuses adopt and implement full-subject HQIM in English language arts and mathematics, consistent with statutory intent and HB 2.

Subsection (d)(2)(C)(iii), which allowed conditional approval if high-quality instructional materials were not yet in place at the time of the resource campus application, was removed at adoption. Except as specifically provided in the rule, all eligibility criteria must be met at the time of application.

Based on public comment, subsection (d)(2)(H) was modified to specify that districts may submit evidence that TIA requirements will be fully verified by the end of the school year in which the campus applies.

**SUMMARY OF COMMENTS AND AGENCY RESPONSES:** The public comment period on the proposal began January 2, 2026, and ended February 2, 2026. Following is a summary of public comments received and agency responses.

**Comment:** A commenter requested clarification regarding whether flexibility exists for campuses that meet most, but not all, requirements at the time of application and expressed concern about district capacity, particularly for smaller or resource-constrained systems.

**Response:** The agency provides the following clarification. While all statutory and rule-based requirements must be met for a campus to receive designation, certain requirements related to TIA operate on verification timelines that may extend through the end of the school year. To align with existing TIA processes, the subsection (d)(2)(H) was updated at adoption to add flexibility for districts to submit evidence that TIA requirements will be fully verified by the end of the school year in which the campus applies. Unless otherwise specified, all other requirements must be met at the time of application.

**Comment:** A commenter requested clarification regarding the reapplication timeline for campuses that have lost resource campus designation.

**Response:** The agency provides the following clarification. TEC, §29.934, authorizes campuses that have lost designation to reapply but does not prescribe a required waiting period. A campus may reapply once it fully meets all statutory and rule requirements.

**Comment:** A commenter recommended that the agency establish clearer guardrails regarding continued eligibility for resource campus funding. Specifically, the commenter suggested that campuses receiving a D or F rating for an extended period fol-

lowing implementation should not remain eligible for ongoing resource campus support. As an example, the commenter proposed that if a campus receives a D or F rating in three out of the five years after implementation, whether or not the ratings are consecutive, the campus would no longer qualify for resource campus funding. The commenter stated that such a provision would emphasize measurable improvement, ensure fidelity of implementation, and maintain incentives for sustained progress.

Response: The agency disagrees. Continued eligibility and fidelity of implementation are addressed through annual monitoring, and campuses that fail to meet statutory or rule-based requirements may have designation and funding removed. Resource campuses also remain subject to the state accountability system and improvement requirements under TEC, Chapters 39 and 39A.

Comment: A commenter requested clarification regarding expectations for HQIM adoption as additional subjects beyond reading and mathematics become IMRA-approved. The commenter encouraged the agency to specify whether campuses with a resource campus designation will be required to adopt HQIM in newly approved subject areas. From a coherence and instructional quality standpoint, the commenter recommended that expansion to additional subjects be expected, provided that districts receive sufficient planning time and implementation support.

Response: The agency provides the following clarification. As additional IMRA-approved full-subject HQIM become available, the agency will update guidance and expectations accordingly. This approach allows districts appropriate planning time and implementation support without establishing prescriptive requirements before materials are available.

Comment: A commenter stated that the proposed reference in §97.1081(d)(2)(B)(iii) to TEC, §39A.105(b)(4), appears to be incorrect and should instead reference TEC, §39A.105(b)(5), which encompasses subclauses (iii)(II)-(VI). The commenter noted that TEC, §39A.105(b)(5)(A), requires the implementation of "data-driven instructional practices" but does not mandate "a performance management system providing at least weekly insight for all administrators and at least monthly insights for all teachers on classroom instructional delivery," as described in the proposed rule. The commenter stated that the proposed language exceeds statutory requirements and could constrain districts from selecting data-driven instructional practices that best meet local needs. The commenter recommended replacing the proposed text in §97.1081(d)(2)(B)(iii)(I) with the statutory phrase "data-driven instructional practices" to ensure alignment with TEC, §39A.105(b)(5).

Response: The agency agrees that the cross reference in §97.1081(d)(2)(B)(iii) should be corrected and has updated it at adoption to TEC, §39A.105(b)(5), to ensure accuracy and proper alignment with the statutory structure. Additionally, the agency provides the following clarification regarding the statutory phrase "data-driven instructional practices." Section 97.1081(d)(2)(B)(iii), including new subclause (I), has been modified at adoption to reflect the requirement for data-driven instructional practices, as described in TEC, §39A.105(b)(5), rather than prescribing a specific performance management system. The agency intends for campuses to implement data-driven instructional practices consistent with the Effective Schools Framework, which allow districts flexibility to select and implement practices that best meet local needs while ensuring regular

use of student data to inform instruction, monitor progress, and adjust supports. In addition, §97.1081(d)(2)(B)(iii)(II) has been modified at adoption to add the required components of a unified observation and feedback system, including an instructional rubric, observer training, calibration protocols, and a method for synthesizing and communicating observation data.

Comment: A commenter stated that the proposed language in §97.1081(d)(2)(C) exceeds the statutory requirements of HB 2. The commenter noted that TEC, §29.934(d)(7), requires a campus to provide evidence of "developing and implementing a plan to use high quality instructional materials" but does not mandate the use of both full-subject HQIM and supplemental instructional materials, nor does it require a detailed description of how accelerated support will be provided to students. The commenter further observed that the term "full fidelity" is not defined in statute or rule, resulting in an unclear standard for evaluating implementation. The commenter recommended replacing the proposed text in §97.1081(d)(2)(C) with the statutory phrase "developing and implementing a plan to use high-quality instructional materials" to ensure alignment with TEC, §29.934(d)(7).

Response: The agency agrees that the proposed language should be clarified to better align with statute. TEC, §29.934(d)(7), requires a campus to provide evidence of developing and implementing a plan to use HQIM and does not define or require implementation at "full fidelity." To avoid establishing an unclear or undefined standard, the agency revised §97.1081(d)(2)(C) at adoption to remove the term "full fidelity" and associated prescriptive language. The rule retains the requirement that campuses adopt and implement full-subject HQIM in English language arts and mathematics, consistent with statutory intent and HB 2. The rule also clarifies that, for purposes of renewal, a district must submit documentation demonstrating fidelity of implementation of its full-subject IMRA-approved instructional materials.

Comment: A commenter requested that the agency reconsider the requirement that licensed mental health professionals assigned to resource campuses be full time and dedicated solely to a single campus. The commenter expressed concern that such a requirement may unintentionally limit participation, even among school systems otherwise well-positioned to implement the instructional and staffing elements of the resource campus model with fidelity. The commenter suggested allowing these professionals to be employed or contracted on a part-time basis and shared across multiple campuses, provided that clear expectations regarding availability, caseload, and service quality are maintained. The commenter stated that this approach would preserve the intent of the rule while improving feasibility, better aligning with workforce constraints, and supporting broader participation without diminishing services that address students' social and emotional needs.

Response: The agency disagrees. The requirement that licensed mental health professionals be full time and campus dedicated reflects the central role of embedded mental health supports in the resource campus model and ensures availability, continuity of care, and effective collaboration.

STATUTORY AUTHORITY. The new section is adopted under Texas Education Code, §29.934, as amended by House Bill 2, 89th Texas Legislature, Regular Session, 2025, which requires the commissioner to establish and administer the resource campus designation to incentivize and support campuses with a history of unacceptable ratings through a comprehensive plan for

school turnaround. Subsection (j) allows the commissioner to adopt rules to implement the statute.

**CROSS REFERENCE TO STATUTE.** The new section implements Texas Education Code, §29.934, as amended by House Bill 2, 89th Texas Legislature, Regular Session, 2025.

§97.1081. *Resource Campuses.*

(a) **Applicability.** This section applies only to a school district that intends to apply for a resource campus designation for a campus or campuses under Texas Education Code (TEC), §29.934.

(b) **Definitions.** For purposes of this division, the following words and terms shall have the following meaning, unless the context clearly indicates otherwise.

(1) **Applicant**--This term refers to the school district submitting the application for a resource campus designation.

(2) **Closed campus**--This term refers to a campus whose county-district-campus number has been retired by the commissioner of education or the school district under §97.1066 of this title (relating to Campus Repurposing and Closure).

(3) **County-district-campus number (CDCN)**--This term refers to the nine-digit identifier assigned to a campus under §97.1051 of this title (relating to Definitions).

(4) **Receiving campus**--This term refers to a campus that enrolls students previously served by a closed campus.

(5) **Resource campus**--This term has the meaning assigned by TEC, §29.934.

(6) **Resource campus designation**--This term refers to a campus that has satisfactorily met the eligibility criteria included in TEC, §29.934, and this section and is eligible for additional funding as provided by TEC, §48.252.

(c) **Application requirements.**

(1) To apply to be designated as a resource campus, the campus must have received an overall performance rating under TEC, §39.054, of D, F, or NR/NR1365 for three years over a 10-year period at the time of application.

(A) The calculation of the 10-year period begins with the school year prior to the year in which the applicant submits the request for the resource campus designation, regardless of whether a rating was issued.

(B) An Academically Unacceptable or Improvement Required rating will be considered an unacceptable rating for determining eligibility.

(C) The three D, F, or NR/NR1365 ratings do not have to be consecutive.

(2) Annually, the Texas Education Agency (TEA) will release a list of campuses that meet the application eligibility requirement described in paragraph (1) of this subsection and application package requirements, which may include, but are not limited to:

(A) a letter of intent;

(B) an application form;

(C) the application deadline;

(D) requirements, including mandatory training sessions for school districts and campuses, that must be met in order for applications to be approved; and

(E) eligibility approval criteria aligned to subsection (d) of this section.

(3) If TEA determines that an application package is not complete and/or the applicant does not meet the eligibility criteria in TEC, §29.934, and this section, TEA may notify the applicant and allow 10 business days for the applicant to submit any missing or explanatory (supplementary) documents.

(A) If, after giving the applicant the opportunity to provide supplementary documents, TEA determines that the resource campus designation request remains incomplete and/or the eligibility requirements of TEC, §29.934, have not been met, the resource campus designation request will be denied.

(B) If the documents are not timely submitted, TEA shall remove the resource campus designation request without further processing.

(C) Failure by TEA to identify any deficiency or notify an applicant thereof does not constitute a waiver of the requirement and does not bind the commissioner.

(4) TEA staff may interview applicants, specify individuals from the school district and campus required to attend the interview, and require the submission of additional information and documentation prior to an interview.

(d) **Eligibility criteria.**

(1) To be eligible for a resource campus designation, a school district must demonstrate that a campus meets all criteria provided in TEC, §29.934, related to the resource campus designation beginning in the school year in which it applies for the designation. Except as specifically provided in this subsection, all eligibility criteria must be met at the time of application.

(2) The school district must provide evidence that the campus is:

(A) implementing a targeted improvement plan as described by TEC, Chapter 39A, Subchapter A, and §97.1061(e)(4) of this title (relating to Interventions and Sanctions for Campuses) and has established a school community partnership team;

(B) adopting and implementing an accelerated campus excellence (ACE) turnaround plan as provided by TEC, §39A.105(b), which must include:

(i) a staffing plan that aligns with the staffing provisions in paragraph (3) of this subsection and includes:

(I) the requirement that the principal assigned to the campus must have:

(-a-) demonstrated a history of improvement in student academic growth at campuses at which the principal has previously worked; and

(-b-) final authority over personnel decisions at the campus;

(II) the requirement that at least 60% of classroom teachers assigned to the campus must satisfy the requirements for demonstrated instructional effectiveness under TEC, §39A.105(b)(3);

(III) a detailed description of the employment and compensation structures for the principal and classroom teachers, which must include significant incentives for a high-performing principal or teacher to remain at the campus and a commitment by the district to continue incentives for the principal and teachers. Teacher compensation structures must align to the approved local optional teacher designation system;

(IV) a plan that describes how the district will determine that the principal and classroom teachers are meeting determined student growth measures aligned to the campus compensation model; and

(V) the requirement that by August 1 of the school year in which the campus will begin receiving funding for the resource campus designation, the campus principal and all teachers must have applied for a position to continue at the campus at the beginning of ACE implementation, regardless of past employment or assignment to the campus, and the district must demonstrate that the leader continues to meet requirements in the district's blueprint;

(ii) a board policy that includes the commitment to continue incentives for principals and teachers, and no other board policy related to staffing compensation in the district may contradict the staffing and compensation provisions in the ACE plan; and

(iii) policies and procedures for the implementation of best practices at the campus described in TEC, §39A.105(b)(5), including:

(I) data-driven instructional practices, as described in TEC, §39A.105(b)(5), and aligned to the Effective Schools Framework, including the regular use of student-level data to manage instructional performance, including the monitoring of student progress and adjustment of instruction and supports;

(II) a system of observation of classroom teachers and feedback for classroom teachers. In addition to an annual evaluation system as required under TEC, §21.351, resource campuses must implement a unified observation and feedback system executed on a frequent basis to support instructional coaching, including:

(-a-) a rubric that defines quality;

(-b-) training for observers to use the rubric;

(-c-) a protocol for initial and ongoing calibration for observers; and

(-d-) a method that synthesizes and communicates the data from the unified observation and feedback system to teachers, campus leaders, and district leaders (i.e., a dashboard) to inform system improvements;

(III) positive student culture on the campus;

(IV) family and community engagement;

(V) extended learning opportunities for students, which may include service or workforce learning opportunities; and

(VI) providing student services before or after the instructional day that improve student performance, which may include tutoring, extracurricular activities, counseling services, and offering breakfast, lunch, and dinner to all students at the campus;

(C) developing and implementing a plan to use high-quality instructional materials, consistent with TEC, §29.934(d)(7). The plan must include the adoption and implementation of full-subject high-quality instructional materials approved through the instructional materials review and approval (IMRA) process for English language arts (ELA) and mathematics. A district may include supplemental instructional materials and accelerated instructional supports as part of its plan, as appropriate to meet student needs. For renewal, a district must submit documentation demonstrating fidelity of implementation of its adopted full-subject IMRA-approved instructional materials. The district shall provide evidence showing that the materials have been implemented as designed, including documentation of use, monitoring, and any adjustments made to support effective implementation using the unified observation and feedback system as described in subparagraph (B)(iii)(II) of this paragraph.

(i) If the campus has already adopted and can demonstrate implementation of HQIM as described in this subparagraph, it may receive full approval for the resource campus designation based on review and acceptance by TEA.

(ii) If there are no IMRA-approved materials in ELA or mathematics for a grade level served by the campus at the time of application, the campus may submit a plan to adopt and implement materials as soon as available.

(D) implementing, if serving a grade level from prekindergarten-Grade 8, an Additional Days School Year (ADSY) calendar for funding under TEC, §48.0051, designed to include a base calendar of 175 days plus at least six additional ADSY days for all students;

(E) implementing a campus-level positive behavior program as provided by TEC, §37.0013, that aligns with the ACE plan described in subparagraph (B) of this paragraph;

(F) developing partnerships with parent and community groups and implementing a family engagement plan as described by TEC, §29.168, that aligns with the ACE plan described in subparagraph (B) of this paragraph;

(G) demonstrating that all teachers of record assigned to foundation curriculum subjects, as defined in TEC, §28.002, have a minimum of two years' experience serving as a classroom teacher as defined in TEC, §5.001, prior to the start of the school year in which the resource campus designation is awarded;

(H) demonstrating that at least 50% of teachers of record assigned to foundation curriculum subjects, as defined in TEC, §28.002, currently hold a designation under a local optional teacher designation system as described in TEC, §21.3521. However, a district may submit evidence at the time of application that the minimum 50% teacher designation threshold will be fully met and verified through the Teacher Incentive Allotment process by the end of the school year in which the campus is applying for the resource campus designation;

(I) verifying that at least one full-time school counselor is dedicated to the campus for every 300 students with fractional school counselor assignment allowed if over 300 students (i.e., 1.5 FTE for 450 students); and

(J) verifying that at least one appropriately licensed professional, either directly employed or contracted, is assigned full time to the campus to support the social and emotional needs of students and staff. This individual must be dedicated solely to the campus and must be one of the following:

(i) a family and community liaison;

(ii) a clinical social worker;

(iii) a specialist in school psychology; or

(iv) a professional counselor.

(3) A campus that receives a resource campus designation must be in a school district that has adopted an approved local optional teacher designation system under TEC, §21.3521, that includes the campus to receive the resource campus designation. The local designation system must:

(A) meet all requirements under §150.1041 of this title (relating to Local Optional Teacher Designation System) for all foundation subject teachers in all grade levels served by the resource campus; and

(B) receive full approval by TEA no later than the school year prior to the year that the resource campus designation begins.

(e) Continued eligibility.

(1) To maintain the resource campus designation and receive benefits under TEC, §29.934 and §48.252, the school district and campus holding the resource campus designation must continuously meet the requirements in subsection (d) of this section.

(2) The school district and campus holding the resource campus designation must comply with all information requests or monitoring visits deemed necessary by TEA staff to monitor the ongoing eligibility of the resource campus designation.

(A) TEA will annually release monitoring requirements and timelines.

(B) School districts will submit data and information required by TEA to assess fidelity of implementation upon request by TEA.

(C) A school district or campus holding the resource campus designation that fails to respond to implementation monitoring requests by the published deadline will be subject to subsection (g) of this section related to removal of resource campus designation.

(3) TEA will annually notify school districts of their resource campus designation status.

(f) Closed campus eligibility to maintain resource campus designation.

(1) A receiving campus may maintain resource campus designation if:

(A) the receiving campus assumes the CDCN of the closed resource campus or is otherwise assigned its accountability performance history by the commissioner; and

(B) the receiving campus continues to meet all requirements for resource campus designation under TEC, §29.934, and this chapter.

(2) The district must submit a request to the commissioner to maintain the resource campus designation for the receiving campus.

(A) The request must include documentation demonstrating compliance with subsections (d) and (e) of this section.

(B) The commissioner may approve the request if all conditions are met.

(g) Removal of resource campus designation.

(1) A campus fails to maintain status as a resource campus if:

(A) the campus or school district does not continuously meet the requirements in subsection (d) of this section; or

(B) the campus or school district fails to comply with information requests or monitoring visits by TEA staff needed to determine the ongoing implementation of resource campus eligibility criteria.

(2) If a campus fails to maintain status as a resource campus for two consecutive years, the campus is not eligible for designation as a resource campus.

(A) The financial benefits awarded to a campus under TEC, §48.252, will end at the end of the second consecutive school year in which the campus failed to maintain its resource campus status.

(B) A campus subject to this subsection may reapply for designation as a resource campus if the campus qualifies under TEC, §29.934(b).

(h) Decision finality. A decision of the commissioner made under this section is final and is not subject to appeal, including under TEC, §7.057.

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

Filed with the Office of the Secretary of State on May 20, 2026.

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Cristina De La Fuente-Valadez

Director, Rulemaking

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For further information, please call: (512) 475-1497



## TITLE 34. PUBLIC FINANCE

### PART 4. EMPLOYEES RETIREMENT SYSTEM OF TEXAS

#### CHAPTER 85. FLEXIBLE BENEFITS

##### 34 TAC §85.5

The Employees Retirement System of Texas (ERS) adopts an amendment to 34 Texas Administrative Code Chapter 85, concerning Flexible Benefits, by amending §85.5 (Benefits), with no changes to the proposed text as published in the April 17, 2026 issue of the *Texas Register* (51 TexReg 2509). The amendment was approved by the ERS Board of Trustees at its May 19, 2026 meeting. This section will be not republished.

Section 85.5, concerning Benefits, is amended in order to reflect a change in federal law regarding the maximum contribution amount for dependent care flexible spending accounts.

No comments were received regarding the proposed amendment.

The amendment is adopted under Tex. Gov't Code §815.102, which authorizes the ERS Board of Trustees (Board) to adopt rules necessary for the administration of the funds of the retirement system and regarding the transaction of any other business of the Board; Tex. Ins. Code §1551.206, which authorizes the Board to develop, implement, and administer flexible spending accounts and include any benefit that may be included under federal law; and Tex. Ins. Code §1551.458, which authorizes the Board to adopt rules regarding flexible spending accounts.

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

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## TITLE 40. SOCIAL SERVICES AND ASSISTANCE

### PART 19. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

#### CHAPTER 700. CHILD PROTECTIVE SERVICES

##### SUBCHAPTER M. SUBSTITUTE-CARE SERVICES

##### DIVISION 1. GENERAL

##### 40 TAC §700.1335

The Department of Family and Protective Services (DFPS) adopts amended rules in Title 40, Texas Administrative Code (TAC), Chapter 700, Subchapter M, relating to the Treatment Foster Family Care (TFFC) Program. The proposal was published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2511). The amended rule is adopted without changes to the proposed text and will not be republished.

##### BACKGROUND AND JUSTIFICATION

The Treatment Foster Family Care (TFFC) program is a placement option for children with mental and/or social behavioral needs that cannot be met in traditional foster care settings. TFFC is designed to provide innovative, multi-disciplinary treatment services to children in a highly structured family home environment and is a cost-effective alternative to congregate residential treatment. A child's qualification for TFFC depends on the framework under which the child is served. For children served under the service-level framework, which remains in use during the full transition to the T3C service package framework, DFPS has established TFFC criteria in policy. For children served under the T3C service-package framework, DFPS has established criteria in the T3C System Blueprint. Caregivers are highly trained to meet the specific needs of the child population and abide by requirements set out in contract. A child's TFFC placement cannot exceed nine-months, except for one three-month extension.

Due to the complex mental and/or socio-behavioral needs of children served in the TFFC program, current TAC Section 700.1335(c)(2) limits a foster home's capacity to no more than two foster children at one time. At the time the rule was promulgated, DFPS believed that this was all a TFFC family could handle. However, DFPS now believes there are limited circumstances where children would benefit from being in a TFFC home with more than two foster children. Those circumstances include:

- Respite care and babysitting for other TFFC foster parent(s);
- Keeping siblings together; and
- Placement into kinship TFFC homes.

## COMMENTS

The 30-day comment period ended May 17, 2026.

During this period, DFPS did receive a comment regarding the amended rules from one commenter from an organization. A summary of comment relating to the rule and DFPS's response is as follows.

Comment: The Texas Alliance of Child and Family Services (TACFS) commented: "Generally, the proposed language appears to be consistent and a positive improvement, especially for sibling groups. However, we would like to raise one potential issue for consideration. In the background and purpose, the following language is used which may be inconsistent with the Texas Child-Centered Care (T3C) package for Treatment Foster Family Care Support Services:

- To qualify, a child must be 17 years old or younger and: (1) placed in or recommended to be placed into an RTC, or (2) placed in or at risk of being placed in a psychiatric hospitalization due to a history of a diagnosed emotional disorder."

Response: DFPS agrees with the comment and has clarified the background and purpose of the Notice of Adoption. DFPS has established criteria for a child to qualify for TFFC in policy and in the T3C System Blueprint. Qualifying criteria is not relevant to the application of this rule. The commenter did not suggest any changes to the proposed rule and DFPS has not revised the rule.

## STATUTORY AUTHORITY

The rule was implemented to comply with the General Appropriations Act, S.B.1, 85th Legislature, Regular Session, 2017 which required HHSC to set rates for the new TFFC program that DFPS administers.

The adopted rule implements Texas Family Code Section 264.1073 (Treatment Foster Care).

The rule changes are adopted under Human Resources Code Section 40.027, which provides that the DFPS Commissioner shall oversee the development of rules relating to matters within the department's jurisdiction and 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 May 22, 2026.

TRD-202602156

Sanjuanita Maltos

Rules Coordinator

Department of Family and Protective Services

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Proposal publication date: April 17, 2026

For further information, please call: (512) 945-5978



## 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) adopts 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 adopts the following new section to Chapter 809, relating to Child Care Services:

Subchapter F. Fraud Fact-Finding and Improper Payments, §809.116

Amended §§809.111, 809.114, 809.115, and 809.117, and new §809.116 are adopted without changes to the proposal, as published in the March 27, 2026, issue of the *Texas Register* (51 TexReg 2020), and, therefore, the adopted rule text will not be published.

Amended §809.112 and §809.113 are adopted with changes to the proposal, as published in the March 27, 2026, issue of the *Texas Register* (51 TexReg 2020), and, therefore, the adopted rule text will be published.

### PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the 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 adopts 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 determined to have committed fraud, owners and directors of those providers, or individuals found to have engaged, aided or abetted the fraudulent activities, 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. PUBLIC COMMENTS

The comment period ended on April 27, 2026.

TWC received comments from the following:

--Day Nursery of Abilene

--TXPOST

COMMENT: Day Nursery of Abilene stated that fraud does not appear to be the primary concern related to improper payments in their area. The provider noted concerns with accurate and timely payment to providers, clear and consistent communication, and documentation being modified after the fact.

RESPONSE: The Commission appreciates the comment and understands the provider's concerns. The Commission recognizes the importance of accurate and timely payment for CCS providers and agrees that most improper payments are not related to fraud. TWC and the Boards will continue to work to improve communication and eliminate issues related to provider payments. However, the purpose of this rulemaking is to strengthen the integrity of the child care services program by enhancing fraud detection, prevention, and enforcement mechanisms; therefore, the commenter's concerns fall outside the scope of the proposed rulemaking. No changes were made in response to this comment.

COMMENT: TXPOST expressed concern that including "board member" in the proposed rule language for §809.113(a)(4) could create unintended consequences for volunteers serving on the boards of nonprofit child care providers. The commenter suggested replacing "an owner, director, or board member of the provider" with either "controlling person" or "designee." The commenter recommended tightening §809.113(a)(4) and tying it to the individuals listed on a provider's license.

RESPONSE: The Commission appreciates the comment, which identified a potential unintended consequence for volunteer board members. The Commission agrees that board members should be removed from §809.113(a)(4)(B), because board members are not involved in the day-to-day operations to the same degree as owners and directors. However, if a board member is found to have engaged, aided, or abetted in fraudulent activities, the board member could be prohibited from future participation in Commission-funded child care services under §809.113(a)(4)(E).

Accordingly, TWC has modified §809.113(a)(4)(B) to remove board members. Board members, including volunteer board members, will not be included under §809.113(a)(4) unless they are found to have engaged, aided, or abetted in fraudulent activities.

COMMENT: Day Nursery of Abilene stated their support for the proposed rules and efforts to further alleviate fraud. The provider noted that further integrating automated platforms for child care authorizations and provider tracking tools can significantly reduce the risk of fraud by eliminating duplicate data entry, ensuring real-time consistency, and strengthening oversight across systems. Additionally, active caseworkers conducting periodic on-site visits provide an essential layer of independent verification. This approach maintains clear roles between providers who focus on delivering quality care and the case management responsibilities of the child care contractor. With adequate training and open communication, services can be delivered seamlessly with reduced administrative burdens on providers.

RESPONSE: The Commission appreciates the comment and the commenter's support. The Commission is continuously evaluating efforts to improve program integrity and service delivery and will take these suggestions into consideration. No changes were made in response to this comment.

PART IV. STATUTORY AUTHORITY

The rules are adopted 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 adopted rules relate to Texas Labor Code, Title 4, particularly Chapters 301 and 302, and Texas Government Code, Chapter 2308.

§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, 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.

(b) The following parental actions may be grounds for suspected fraud:

(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 eligibility period inclusive of the 90-day 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; or

(C) improper or inaccurate reporting of attendance.

§809.113. *Action to Prevent or Correct Suspected Fraud.*

(a) The Agency or Board may take the following actions pursuant to Agency policy if the Agency or Board finds that a provider has committed fraud:

(1) Temporarily or permanently withholding payments to the provider for child care services delivered;

(2) Recoupment of funds from the provider;

(3) Stop authorizing care at the provider's facility or location;

(4) 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:

(A) the provider;

(B) an owner or director 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) Any other action consistent with the intent of the governing statutes or regulations to investigate, prevent, or stop suspected fraud.

(b) The Agency or Board may take the following actions pursuant to Agency policy if the Agency 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 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.

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

Filed with the Office of the Secretary of State on May 19, 2026.

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Les Trobman

General Counsel

Texas Workforce Commission

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Proposal publication date: March 27, 2026

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



## TITLE 43. TRANSPORTATION

### PART 1. TEXAS DEPARTMENT OF TRANSPORTATION

## CHAPTER 2. ENVIRONMENTAL REVIEW OF TRANSPORTATION PROJECTS

### SUBCHAPTER G. MEMORANDUM OF UNDERSTANDING WITH THE TEXAS PARKS AND WILDLIFE DEPARTMENT

The Texas Department of Transportation (department) adopts amendments to §§2.201 - 2.206 and the repeal of §2.207, concerning Memorandum of Understanding with the Texas Parks and Wildlife Department (TPWD). The amendments to §§2.201 - 2.206 and the repeal of §2.207 are adopted without changes to the proposed text as published in the February 13, 2026 issue of the *Texas Register* (51 TexReg 874) and will not be republished.

#### EXPLANATION OF ADOPTED AMENDMENTS AND REPEAL

Transportation Code, §201.607, requires the department to adopt a memorandum of understanding (MOU) with each state agency that has responsibilities for the protection of the natural environment or for the preservation of historic or archeological resources. Transportation Code, §201.607, also requires the department to adopt the MOU and all revisions to it by rule and to periodically evaluate and revise the MOU. The department has evaluated its MOU with the Texas Parks and Wildlife Department (TPWD) adopted in 2021, and finds it necessary to make various changes to Chapter 2, Subchapter G, of the department's rules.

Amendments to §2.201, Purpose, update the references to the preceding MOU.

Amendments to §2.202, Definitions, delete the definition of "qualified biologist" because it is unnecessary and delete the definition of "riparian habitat" because it is not used in the revised rules. They also add a definition of "species of greatest conservation need (SGCN)." They also clarify that the TPWD Transportation Staff is assigned to work on TxDOT transportation projects specifically, and not transportation projects generally.

Amendments to §2.203, Applicability, revise the triggers for when the department must provide TPWD with an opportunity to review a reevaluation of a project to be more precise. They also specify that for a reevaluation the department need only discuss the project with TPWD instead of formally re-coordinating the project in writing.

Amendments to §2.204, Coordination and Communication, specify that written communication between the department and TPWD, in addition to electronic communication, will be used to the maximum extent practical. This is in recognition of TPWD's practice of providing comments in a letter format and not exclusively in an email format.

Amendments to §2.205, Commitments, relate to the inter-agency contract by which TxDOT provides funding for one TPWD transportation staff to review TxDOT projects. The amendments specify that TxDOT and TPWD may renew that interagency contract at the same time that the overall MOU in this Subchapter G is renewed, rather than biennially. They also clarify that the TPWD employee funded by TxDOT through the interagency contract is "transportation staff," which is a defined term in §2.202. They also remove a reference to an "associated workplan" in the context of mutually agreeable conservation actions as that term is not actually used by TxDOT and TPWD.

Amendments to §2.206, Interagency Team, add a provision requiring the TxDOT/TPWD interagency team to collaborate on identifying opportunities to enhance wildlife habitat connectivity across Texas to improve terrestrial and aquatic species movements.

Section 2.207, Texas Natural Diversity Database (TXNDD), is repealed because in 2026 the data in the TXNDD will be publicly available and, therefore, the MOU provisions detailing how TxDOT accesses data from the TXNDD will no longer be needed.

#### COMMENTS

The General Land Office provided its determination that the proposed amendments and repeal are consistent with Coastal Zone Management goals and enforceable priorities. No other comments on the proposed amendments and repeal were received.

#### 43 TAC §§2.201 - 2.206

##### STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §201.101, which provides the Texas Transportation Commission (commission) with the authority to establish rules for the conduct of the work of the department, and more specifically, §201.607, requiring the department to have an MOU with TPWD and to adopt it by rulemaking.

##### CROSS REFERENCE TO STATUTES IMPLEMENTED BY THIS RULEMAKING

Transportation Code, §§201.604, 201.607, and 201.752.

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

Filed with the Office of the Secretary of State on May 21, 2026.

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Becky Blewett

Deputy General Counsel

Texas Department of Transportation

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Proposal publication date: February 13, 2026

For further information, please call: (737) 262-5833



#### 43 TAC §2.207

##### STATUTORY AUTHORITY

The repeal is adopted under Transportation Code, §201.101, which provides the Texas Transportation Commission (commission) with the authority to establish rules for the conduct of the work of the department, and more specifically, §201.607, requiring the department to have an MOU with TPWD and to adopt it by rulemaking.

##### CROSS REFERENCE TO STATUTES IMPLEMENTED BY THIS RULEMAKING

Transportation Code, §§201.604, 201.607, and 201.752.

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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## PART 5. HARRIS COUNTY TAX ASSESSOR-COLLECTOR

### CHAPTER 95. REGULATION OF MOTOR VEHICLE TITLE SERVICES

#### 43 TAC §95.1

The Harris County Tax Assessor-Collector and Voter Registrar's Office ("HCTO") adopts amended Chapter 95 of Title 43, Part 5 of the Texas Administrative Code concerning Motor Vehicle Title Service Licensing in Harris County under HB 3521, adopted by the 76th Legislature, Regular Session.

This rule is adopted with non-substantive changes to the proposed text as published in the March 20, 2026 issue of the *Texas Register* (51 TexReg 1807) and will be republished.

##### BACKGROUND INFORMATION AND JUSTIFICATION

HB 3521, adopted by the 76th Legislature, Regular Session, requires tax assessors in counties with populations of more than 500,000 and whose commissioners court adopted Chapter 520 of the Texas Transportation Code, to license and regulate the title service business. The bill took effect on September 1, 1999.

As enacted by HB 3521, Texas Transportation Code Chapter 520 requires certain county tax assessors to license and regulate those engaged in the motor vehicle title service business and their agents (also called runners). Specifically, (1) Section 520.053 requires county tax assessors to license persons acting as motor vehicle title services and agents of motor vehicle license services, (2) Section 520.060 requires fees for licensing motor vehicle title service companies and their agents, and (3) Section 520.059 allows a tax assessor to deny, suspend, revoke, or reinstate a license and to adopt rules governing those actions.

The purpose of these amendments under Chapter 95 (Regulation of Motor Vehicle Title Services) is to update HCTO's disciplinary rules and the rules for the denial, suspension, revocation, and reinstatement of motor vehicle title service and motor vehicle title service runner license holders. The amended rule also updates the licensing fees assessed by Harris County, which have not been updated since May 2000.

##### COMMENTS

The 30-day comment period ended on April 20, 2026. During this period, the Agency did not receive any comments.

##### STATUTORY AUTHORITY

The adopted rule is authorized by Texas Government Code §2001.004(1) and Texas Transportation Code §§ 520.053, 520.059(b), 520.060. Texas Government Code §2001.004(1) requires a state agency to adopt rules of practice stating the nature and requirements of formal and informal procedures. Texas Transportation Code §520.053 requires persons, and

their agents, who do business as motor vehicle title services to be licensed by the Harris County Tax Assessor. Texas Transportation Code §520.059(b) directs HCTO to adopt rules establishing the grounds for the denial, suspension, revocation, and reinstatement of licenses for motor vehicle title services and their agents. Texas Transportation Code §520.060 sets parameters for the licensing fees charged to motor vehicle title services and their agents.

§95.1. *Motor Vehicle Title Service Licensing.*

(a) Definitions.

(1) "Convicted" means an adjudication of guilt or, except as provided by Government Code Section 411.1711, an order of deferred adjudication entered against a person by a court of competent jurisdiction whether or not the imposition of the sentence is subsequently probated and the person is discharged from community supervision. The term does not include an adjudication of guilt or an order of deferred adjudication that has been subsequently:

(A) expunged;

(B) pardoned under the authority of a state or federal official; or

(C) otherwise vacated, set aside, annulled, invalidated, voided, or sealed under any state or federal law.

(2) "Motor vehicle" means:

(A) Any motor driven or propelled vehicle required to be registered under the laws of this state;

(B) A trailer or semitrailer, other than manufactured housing, that has a gross vehicle weight that exceeds 4,000 pounds;

(C) A travel trailer;

(D) An off-highway vehicle, as defined by Section 551A.001 Transportation Code; or

(E) A motorcycle or moped that is not required to be registered under the laws of this state.

(3) "Motor vehicle title documents" means motor vehicle title applications, motor vehicle registration renewal applications, motor vehicle mechanic's lien title applications, motor vehicle storage lien title applications, motor vehicle temporary registration permits, motor vehicle title application transfers occasioned by the death of the title holder, or notifications under Chapter 683, Transportation Code or Chapter 70, Property Code.

(4) "Motor vehicle title service" means any person that, for compensation, directly or indirectly assists other persons in obtaining motor vehicle title documents by submitting, transmitting, or sending applications for motor vehicle title documents to the appropriate government agencies.

(5) "Motor vehicle title service representative" means an individual authorized by a motor vehicle title service to execute motor vehicle title documents on behalf of the motor vehicle title service.

(6) "Motor vehicle title service runner" means any person employed by a licensed motor vehicle title service to submit or present motor vehicle title documents to the Tax Assessor.

(7) "Out-of-County motor vehicle title service" means a motor vehicle title service located outside of Harris County, Texas with no offices in Harris County, but which processes more than five (5) title and/or registration transactions in a calendar year in Harris County.

(8) "Person" means an individual, partnership, company, or corporation.

(9) "Tax Assessor" means the Harris County Tax Assessor-Collector.

(10) "License holder" means, unless otherwise specified in this chapter, a person who holds a motor vehicle title service license and a motor vehicle title service runner's license.

(b) Motor Vehicle Title Service License Required.

(1) All persons conducting motor vehicle title services or providing motor vehicle title service runner services in Harris County, must be licensed by the Tax Assessor, unless exempted by statute or this chapter.

(2) A person may not perform any motor vehicle title services or act as a motor vehicle title service runner unless that person or entity holds a license issued by the Tax Assessor. The Tax Assessor issues the following licenses related to motor vehicle title service businesses and operations:

(A) Motor vehicle title service licenses; and

(B) Motor vehicle title service runner licenses.

(3) The Tax Assessor may, in her/his discretion, limit the number of motor vehicle title service and motor vehicle title service runner licenses that are issued.

(c) Application Process/General Requirements.

(1) This section applies to all license applicants, including all license renewals. Paragraph (3)(D), (E), (I), (J), and (L) of this subsection does not apply to applicants for motor vehicle title service runner licenses. An applicant must be at least 18 years of age to hold a license.

(2) An applicant must apply on a form prescribed by the Tax Assessor. An applicant may apply for a license at a location specified and at the times designated on the Tax Assessor's website. Applications may also be mailed to the Tax Assessor at the address indicated on its website.

(3) The application form must be signed by the applicant and the applicant must present a completed application to the Tax Assessor along with the following:

(A) The applicant's name, business address, and business telephone number;

(B) If the applicant is an individual, the individual's date of birth and authorization to work within the United States;

(C) The name under which the applicant will do business, and a copy of the assumed name certificate for each assumed name used by the applicant.

(i) A license will not be issued under a fictitious name, and

(ii) An applicant may not adopt a fictitious name that is similar to or may be confused with the name of a government entity or that is deceptive or misleading to the public;

(D) The physical address of each office from which the applicant will conduct business. If the applicant has more than one business location, the applicant will designate one location as its principal place of business. No license will be issued to a business with a post office box as its sole address or principal place of business. An applicant may not use an address as a business address if the operation of a motor vehicle title service business would violate any deed restrictions, leases, homeowner's association restrictions, zoning laws, or any other property use restrictions applicable to that address. The applicant will provide copies of applicable deed restrictions, leases, homeowner's

association restrictions, zoning laws, or other property use restrictions in connection with its license application upon the request of the Tax Assessor. The Tax Assessor may also require that an applicant provide proof from a landlord, homeowner's association, or other third party that use of the property for a motor vehicle title service will not violate deed restriction, lease, homeowner's association restriction, zoning law, or other property use restrictions;

(E) A true and accurate image of the building where each office of the business is physically located showing:

(i) Permanent signage with the business name and phone number; and

(ii) The directory showing the title service name and suite number if the office is located inside a building with more than one occupant;

(F) A copy of the applicant's or each motor vehicle title service representatives' current Texas driver's license or Texas Department of Public Safety identification card;

(G) A copy of the applicant's or each motor vehicle title service representatives' Social Security card that matches the name on the identification presented;

(H) An individual with a Social Security card branded to indicate it does not authorize the individual to work must have authorization from the agency that branded the card before the card will be accepted;

(I) The applicant's Federal Tax Identification number and a completed W-9 form;

(J) The applicant's current, active state sales tax number;

(K) A statement indicating whether the applicant or any motor vehicle title service representative has previously applied for a motor vehicle title service license or motor vehicle title service runner license; the result of the previous application, and whether the applicant has ever been the holder of a license that was revoked or suspended;

(L) The name and address of applicant's bank and the applicant's bank account number;

(M) All applicable licensing fees; and

(N) A fingerprint based criminal history record check from the Texas Department of Public Safety dated within 90 days of the application.

(4) The applicant shall ensure that all information and documents presented to the Tax Assessor are accurate and complete.

(d) Additional Requirements for Corporations. In addition to the general requirements for all applicants, corporations shall also provide:

(1) A copy of the corporation's articles of incorporation showing state of incorporation and date of incorporation;

(2) A current certificate of good standing;

(3) The name and address of the corporation's registered agent;

(4) The corporation's Employer Identification Number (EIN) and a completed W-9 form;

(5) The name, address, date of birth, and social security number of each of the officers and directors of the corporation;

(6) Information about each officer and director as required by the Tax Assessor to establish the business reputation and character of the applicant; and

(7) A statement indicating whether an employee, officer, or director has been refused a motor vehicle title service license or a motor vehicle title service runner's license or has been the holder of a license that was revoked or suspended.

(e) Additional Requirements for Partnerships. In addition to the general requirements for all applicants, partnerships shall also provide:

(1) A copy of the partnership agreement;

(2) If the business is a limited partnership, a current certificate of good standing and the name and address of the registered agent;

(3) The name, address, date of birth, and social security number of each partner;

(4) The partnership's Employer Identification Number (EIN);

(5) Information about each partner as required by the Tax Assessor to establish the business reputation and character of the applicant; and

(6) A statement indicating whether a partner or employee of the business has been refused a motor vehicle title service license or a motor vehicle title service runner's license or has been the holder of a license that was revoked or suspended.

(f) Out-of-State Applicants. In lieu of the Texas identification requirement, applicants located outside the state of Texas must provide a valid US state-issued driver's license or a valid US state-issued identification card.

(g) Authorization Required.

(1) A licensed motor vehicle title service must authorize all motor vehicle title service representatives and runners who will perform motor vehicle title service business on its behalf. Individuals whose names are not on file as a representative or a runner of the motor vehicle title service will not be allowed to conduct business on behalf of that motor vehicle title service. A motor vehicle title service license holder sponsors and is legally responsible for each motor vehicle title service representative and runner it authorizes to do business on its behalf.

(2) A motor vehicle title service shall notify the Tax Assessor's Office by email or mail within three (3) calendar days when a representative or runner is no longer authorized by that motor vehicle title service. The motor vehicle title service shall be responsible for all transactions performed on behalf of the motor vehicle title service by a runner prior to such notice.

(3) All motor vehicle title service runners must be employed by the motor vehicle title service that authorizes them to do business.

(h) Requirements for Motor Vehicle Title Service Runner License.

(1) All motor vehicle title service runners must complete an application on a form prescribed by the Tax Assessor and must be granted a license(s) by the Tax Assessor before the motor vehicle title service runner may perform any motor vehicle title service runner services.

(2) A motor vehicle title service license holder must identify each motor vehicle title service runner acting on its behalf on a

form supplied by the Tax Assessor. A motor vehicle title service runner who does not appear in the Tax Assessor's records as an authorized runner for a motor vehicle title service will not be allowed to act as a runner for that motor vehicle title service. A licensed motor vehicle title service runner may act on behalf of more than one motor vehicle title service, but must hold a separate license for each motor vehicle title service he/she works for.

(3) Any unlicensed person who conducts motor vehicle title transactions on behalf of others may be required to complete an affidavit provided by the Tax Assessor's Office stating that the person is not receiving compensation for conducting motor vehicle title transactions. In the event a person is found to be conducting motor vehicle title transactions on behalf of others without a license, the Tax Assessor's Office may refuse to accept motor vehicle title documents from the person and make a report to an appropriate law enforcement entity.

(i) Application Approval/Denial.

(1) Applicants will be notified by email and certified mail, that their applications were approved or denied within 10 business days after the submission of all information and documents necessary for the Tax Assessor to make a determination on the application. Denial letters will be sent by email, by certified mail, or another method that verifies delivery, to the address of the applicant's principal place of business as identified on the application.

(2) Incomplete applications will not be processed. An email will be sent notifying the applicant of an incomplete application. Applicants whose applications are incomplete have 30 days to correct or supplement their applications with missing information. If the missing or incomplete information is not provided to the Tax Assessor within the 30-day cure period, the application will be denied, the license fee will be retained by the Tax Assessor, and applicant will have to submit a new application and license fee to obtain a license. The 30-day cure period is calculated from the date the email is sent notifying the applicant of the incomplete application.

(j) Causes for rejection of application for license.

(1) Applications that contain false information, whether in the application or in any supporting documents, may be denied. An applicant whose application is denied for submitting false information forfeits the license fee and will be prohibited from reapplying for a license.

(2) Any of the following will also disqualify a person from being licensed and will result in the forfeiture of all licensing fees previously paid:

(A) Having been convicted of a felony or a crime of moral turpitude or deceptive business practices for which the completion date of the person's sentence, including any probationary period, is less than five years from the application date. The application of a person whose sentence was completed five or more years prior to the date of application will be considered on a case-by-case basis. In those cases, the Tax Assessor may consider the nature and seriousness of the offense, the person's age at the time of the conviction, the time that has expired since the conviction, the relevance of the crime to the duties and responsibilities of a motor vehicle title service or a motor vehicle title service runner, the person's other criminal history, any explanation provided by the person, and any other information relevant to the application process or the duties of a licensee. The Tax Assessor shall have absolute discretion to decide whether a person is suited for licensing. For purposes of this section, the Tax Assessor may review and make a determination based on the criminal history (as described in this section) of an applicant and/or the applicant's owners, officers, directors, partners, or representatives.

(B) Engaging in violations of these administrative rules and procedures or of any other applicable law, regulation, rule or procedure, including those issued by the Texas Department of Motor Vehicles.

(C) Having outstanding or delinquent Class C misdemeanor fines, open warrants or other taxes, fines, or fees owed to any Texas county that are not paid or otherwise resolved within 30 days from the date the Tax Assessor provides the applicant with written notice of the outstanding amounts due.

(D) Having been criminally or civilly sanctioned for the unauthorized practice of law by a government or quasi-government body of competent jurisdiction.

(E) Having a license issued by the DMV revoked or suspended.

(F) Listing an address as a business address when conducting a motor vehicle title service company from that address would violate any deed restriction, lease, homeowner's association restriction, zoning law, or other property use restriction.

(G) Any other reason deemed by the Tax Assessor, in good faith, as sufficient to deny a license.

(3) A motor vehicle title service license or a motor vehicle title service runner's license may be denied if granting the license would exceed the maximum number of motor vehicle title service licenses or motor vehicle title service runner's licenses, respectively, that the Tax Assessor has agreed to issue.

(4) A person who holds a motor vehicle title service runner's license may not also be licensed as a motor vehicle title service.

(5) A person who holds a motor vehicle title service runner's license may not relinquish that license and apply to be a motor vehicle title service if the license of a motor vehicle title service that employs that runner is suspended or has had its license revoked.

(6) The Tax Assessor shall have absolute discretion to decide whether a person is issued a license.

(k) Fees. Non-refundable, annual fees for licenses shall be as follows:

(1) The fee for a motor vehicle title service license shall be \$500.00 for the first year with a renewal fee of \$500 per year each year thereafter.

(2) The annual fee for a motor vehicle title service title service runner license shall be \$200.00 for the first year with a renewal fee of \$200 per year each year thereafter.

(3) The fee to replace a badge is \$25.00.

(4) All fees must be paid by certified check, money order, or business check in the name of the motor vehicle title service.

(l) Expiration and Renewal of Licenses.

(1) A license issued under this chapter expires on the first anniversary of the date of issuance and may be renewed annually on or before the expiration date upon reapplication and payment of the required renewal fee.

(2) Before the 30th day preceding the date on which a person's license expires, the Tax Assessor shall notify the person of the impending expiration. The notice will be in writing and sent to the person's last known address according to the records of the Tax Assessor. Failure to send the notice under this provision does not provide any right or remedy to the license holder.

(3) A person whose license has expired may not engage in activities that require a license until the license has been renewed or a new license obtained.

(4) If a person's license has been expired for 90 days or less, the person may renew the license by paying the Tax Assessor one and one-half (1.5) times the required renewal fee.

(5) If a person's license has been expired for longer than 90 days but less than one year, the person may renew the license by paying the Tax Assessor two (2) times the required renewal fee.

(6) If a person's license has been expired for one year or longer, the person may not renew the license. The person may obtain a new license by complying with the requirements and procedures, including subsection (j)(3) of this section, for obtaining an original license. Notwithstanding the foregoing, if a person was licensed under this chapter, moved to another state, and has been doing business in the other state for the two years preceding application, the person may renew an expired license by paying the Tax Assessor a fee that is equal to two (2) times the required license renewal fee.

(m) Permit Numbers and Badges.

(1) A motor vehicle title service shall identify all motor vehicle title service representatives it has appointed or authorized to conduct business on its behalf on a form provided by the Tax Assessor. A person whose name is not on file with the Tax Assessor as motor vehicle title service representative for a motor vehicle title service shall not conduct business on behalf of that motor vehicle title service and motor vehicle title documents signed by those persons will be returned.

(2) A person may not serve as a motor vehicle title service representative unless the person provides the Tax Assessor with a current (dated within 90 days of submission of the form) fingerprint based criminal history record check from the Texas Department of Public Safety. A person who has been convicted of any felony, crime of moral turpitude, or of deceptive business practices shall not serve as a motor vehicle title service representative if the completion date of the person's sentence (including any probationary period) is fewer than five years from the date of the appointment. A person whose sentence was completed five or more years prior to the date of appointment will be considered on a case-by-case basis. In those cases, the Tax Assessor may consider the nature and seriousness of the offense, the applicant's age at the time of the conviction, the time that has expired since the conviction, the relevance of the crime to the duties and responsibilities of a motor vehicle title service representative, the applicant's other criminal history, any explanation provided by the applicant, and any other information relevant to the application process or the duties of a licensee. The Tax Assessor shall have absolute discretion to decide whether a person may serve as a motor vehicle title service representative.

(3) All motor vehicle title service representatives and motor vehicle title service runners shall be issued a permit number.

(4) All motor vehicle title service representatives and all motor vehicle title service runners must obtain a badge issued by the Tax Assessor which must be presented at the Tax Assessor's offices. Persons eligible for a badge will be instructed to report to a determined location on a scheduled day and time for badge processing, which shall include making a photographic or electronic image of the badge holder.

(5) Motor vehicle title service representatives and runners must pick up their badges from the Tax Assessor's office.

(6) Badges must be updated annually. Motor vehicle title service representatives and runners must have a current badge to conduct motor vehicle transactions.

(n) Records and recordkeeping.

(1) All motor vehicle title transactions for Harris County will be processed at locations specified by the Tax Assessor on its website. Only motor vehicle title documents, as that term is defined in this chapter, will be processed. Motor vehicle title services and their runners may not present any transactions or conduct any transactions at any location other than the locations identified on the Tax Assessor's website.

(2) A holder of a motor vehicle title service license shall maintain records as required by Texas Transportation Code §520.057 on forms prescribed and made available by the Tax Assessor for each transaction in which the motor vehicle title service receives compensation. The records shall include:

(A) The date of transaction;

(B) The name, age, address, sex, driver's license number, and a legible photocopy of the driver's license for each customer; and

(C) The license plate number, vehicle identification number, and a legible photocopy of proof of financial responsibility for the motor vehicle involved.

(3) A Tax Assessor vehicle transaction form must accompany all motor vehicle title service transactions. The motor vehicle title service company representative shall print and sign the representative's name in the space provided, and fill in the representative's permit number in the appropriate space.

(4) The motor vehicle title service business and the motor vehicle title service representative who signs the transaction form are responsible for the accuracy and validity of the information for each vehicle listed. Only vehicles authorized and listed by the licensed motor vehicle title service will be processed.

(5) All motor vehicle motor vehicle title service runners processing documents at the office of the Tax Assessor shall print and sign their names on the vehicle transaction form in the spaces provided. Motor vehicle title service runners shall also fill in their permit number in the appropriate space.

(6) All vehicles that are the subject of a transaction must be listed and identified as transfer of ownership, renewal or replacement of license plates, registration sticker, or other transactions on the vehicle transaction form. The vehicle make, model, year, and vehicle identification number must be printed legibly in the space provided.

(7) All required forms must be filled out accurately and completely. Inaccurate or incomplete forms will be rejected and the motor vehicle title transactions associated with those forms will not be completed.

(8) All required forms must be submitted in the manner determined by the Tax Assessor. Forms that are not correctly submitted will be rejected and the motor vehicle title transactions associated with those forms will not be completed.

(9) Motor vehicle title documents that contain false or altered information will be retained by the Tax Assessor's office for review by the Review Board. If motor vehicle title documents are retained, either the purchaser or seller of the vehicle must appear at the Tax Assessor's office with corrected documents before any transaction for that vehicle will be completed.

(10) All original transaction sheets will remain on file with the Tax Assessor.

(11) A motor vehicle title service shall keep at its principal place of business:

(A) Two copies of all records required by Texas Transportation Code §520.057, including the vehicle transaction form, for at least 2 years after the date of the transaction;

(B) Legible photocopies of any documents submitted by a customer; and

(C) Legible photocopies of any documents submitted to the Tax Assessor.

(o) Reporting Procedures and Record Inspections.

(1) A motor vehicle title service license holder must notify the Tax Assessor, within three calendar days, of all changes to (i) the address of its principal place of business and other business locations; and (ii) its business telephone and email addresses.

(2) A motor vehicle title service must immediately (within three calendar days) report any change of its principals, partners, owners, officers, or directors to the Tax Assessor. The information and documentation required to be furnished as part of an original license application will be required for each new or additional principal, partner, owner, officer, or director.

(3) Each motor vehicle title service must keep (i) its original license and application and (ii) a copy of each license issued to a motor vehicle title service representative or runner connected with the motor vehicle title service at its principal place of business. Each motor vehicle title service must keep copies of its license, application, and of each license/permit issued to a motor vehicle title service representative or runner connected with the motor vehicle title service at all other business locations.

(4) A motor vehicle title service runner must notify the Tax Assessor of any changes of address and/or contact information within three calendar days of the change.

(5) A law enforcement officer or representative of the Harris County Tax Office is entitled to inspect a motor vehicle title service's records, on the premises of the principal business location of the motor vehicle title service or at any location where the motor vehicle title service does business, at a reasonable time, to verify, check, or audit the records. A motor vehicle title service shall cooperate with law enforcement and the Harris County Tax Office representatives and must permit such an inspection. Failure to cooperate with or permit an inspection, or to maintain required records, may result in the suspension or revocation of the motor vehicle title service's license.

(6) If law enforcement appears at the location listed by the motor vehicle title service as that motor vehicle title service's principal business address to conduct an inspection and the motor vehicle title service is not conducting business at the location, the Tax Assessor may, in its discretion, revoke the motor vehicle title service's license.

(7) Specific records of out-of-county motor vehicle title services may be requested for inspection. The out-of-county motor vehicle title service must send all requested records to the Tax Assessor's Office either (i) by mail, Attention: Special Investigations Unit, at 1001 Preston, Houston, TX 77002, at the expense of the out-of-county title service, with return postage prepaid, or (ii) by email. If the Tax Assessor determines that an on-site audit is necessary, an out-of-county title service will be responsible for the travel costs for two inspectors of the Tax Assessor's Office, calculated at Harris County's current county per diem rate, and including airfare and other transportation costs, meals, and lodging.

(p) The Review Board.

(1) The Tax Assessor shall appoint a five-member Review Board to review allegations of policy and statute violations, including violations of this chapter. The Review Board shall consist of:

(A) Two (2) employees from the Tax Assessor's office experienced with motor vehicle title services and/or title and registration functions or services;

(B) members of law enforcement; and

(C) One (1) member who is active in the motor vehicle title service industry.

(2) If the Tax Assessor is unable to fill a board seat as required by paragraph (1)(B) or (C) of this subsection, the Tax Assessor may appoint a Harris County Tax Office employee that meets the qualifications of paragraph (1)(A) of this subsection to fill that board seat.

(3) Appointments shall be for two years and shall be made in staggered terms. There are no term limitations and the Tax Assessor may reappoint board members for additional terms.

(4) A quorum of three members of the Review Board must be present to render a decision. No proxy votes will be allowed.

(5) The Tax Assessor shall appoint a member of the Review Board to chair meetings of the Review Board.

(6) A member of the Review Board who is absent for three consecutive meetings may be removed by the Tax Assessor.

(7) The Tax Assessor may remove a Review Board member for dishonesty or corruption, a demonstrated failure to maintain impartiality, using the position to obtain special treatment for the member or others, egregious or hostile treatment of parties or counsel, accepting bribes, gifts, or personal favors related to the duties of a board member, conviction of a felony or crime involving moral turpitude, an inability to discharge the duties of a board member, or for any other reason deemed by the Tax Assessor.

(8) Any vacancy created by the removal or resignation of a member shall be filled by appointment by the Tax Assessor and the new member shall be appointed to serve the remainder of the former member's term.

(q) The Review Process.

(1) The Review Board shall meet as needed on a date and at a location determined by the Tax Assessor. The Review Board will hold hearings to review any complaints or allegations made against a motor vehicle title service, and/or its representative and runners, including complaints or allegations made by the Tax Assessor, and will determine whether a motor vehicle title service and/or its representative or runners (i) falsified motor vehicle title documents or presented falsified, fraudulent, or altered motor vehicle title documents to the Tax Assessor's office, or (ii) engaged in or participated in any violation of policy, procedure, or statute, including violations of this chapter.

(2) The Tax Assessor will provide notice to the motor vehicle title service of a hearing before the Review Board. The motor vehicle title service and/or its representatives or runners may appear in person before the Review Board to present testimony and offer evidence regarding any alleged violation. The motor vehicle title service and/or its representatives or runners may be represented by counsel at the motor vehicle title service's and/or its representatives or runners' own expense. A motor vehicle title service and/or its representatives or runners may utilize the services of an interpreter at the motor vehicle title service and/or its representatives or runners' own expense.

(3) Review Board decisions are administrative in nature. Courtroom rules of evidence shall not apply; however, the Review

Board chair may limit or exclude evidence that is immaterial, irrelevant, or repetitious.

(4) The standard of proof shall be by a preponderance of the evidence. Witnesses may be sworn.

(5) A majority vote of members present at a meeting of the Review Board shall determine the outcome of matters under consideration and will make recommendations to the Tax Assessor regarding any penalties that should be applied to a particular matter.

(6) A quorum of the Review Board may draft and recommend other procedural rules that are not inconsistent with this chapter or other law.

(7) All decisions shall be subject to a final review by the Tax Assessor.

(r) Suspension or Revocation of License.

(1) In addition to the other grounds for license suspension or revocation contained in this chapter, the Review Board may recommend license suspension or revocation for a motor vehicle title service and/or a motor vehicle title service runner.

(2) The Review Board may recommend to the Tax Assessor that a license be suspended or revoked on any of the following grounds:

(A) The Review Board determines the license holder has violated any provision of this chapter or of Title 7, Subtitle A, Chapter 520, Subchapter C of the Texas Transportation Code.

(B) The Review Board determines that the license holder has been found in violation of the Texas Department of Motor Vehicles (DMV) rules, policies, or procedures, or a license issued by the DMV has been revoked or suspended and has not been reinstated.

(C) The Review Board determines that the license holder has been criminally or civilly sanctioned for the unauthorized practice of law by a government or quasi-government body with jurisdiction to do so.

(D) The Review Board determines that a license was obtained by submitting false or misleading information.

(E) The Review Board determines that a motor vehicle title service has failed to maintain its records as required by the Texas Transportation Code or this chapter, or a motor vehicle title service has refused to permit the Tax Assessor to conduct an inspection of the records of the motor vehicle title service in accordance with Texas Transportation Code §520.058 and/or this chapter.

(F) The Review Board determines that the license holder has been convicted of a felony, or any crime of moral turpitude or deceptive business practice not previously disclosed in the license holder's application.

(G) The Review Board determines that the license holder has outstanding or delinquent Class C misdemeanor fines, open warrants or other taxes, fines, or fees owed to any Texas county that are not paid or otherwise resolved within 30 days from the date the Tax Assessor provides the applicant with written notice of the outstanding amounts due.

(H) The Review Board determines that a license holder has submitted more than one motor vehicle title transaction to the Tax Assessor within a two-year period which contains false, misleading, or erroneous information.

(I) The Review Board determines that a motor vehicle title service runner presented a transaction to the Tax Assessor's office that was not authorized by a licensed motor vehicle title service.

(J) The Review Board determines that a motor vehicle title service runner altered or forged the original paperwork of a motor vehicle title service.

(K) The Review Board determines that a motor vehicle title service utilized the services of a runner who is not employed by the motor vehicle title service or whose license was suspended or revoked.

(L) The Review Board determines that the license holder has attempted to bribe an employee of the Harris County Tax Office.

(M) The Review Board determines that a license holder failed to appear at a Review Board meeting to answer complaints against the license holder.

(N) The Review Board determines a license holder violated the Harris County Building Regulations, specifically including disruption of county operations or violation of building security. Persons who violate Harris County Building Regulations are subject to removal from County facilities.

(O) The Review Board determines that a license holder has been involved in the issuance of fraudulent liability insurance.

(P) The Review Board determines that a license holder has continued to engage in activities or conduct business requiring a license during the time the license was suspended.

(2) The Review Board may recommend that no action be taken against a license holder, that a license holder be issued a written warning from the Tax Assessor, that the license holder's license be suspended in a range from no less than 30 days or no more than 180 days (plus a 90 day extension), or that the license holder's license be revoked. In deciding what action to take, the Review Board may consider the nature of the violation, the number of violations committed, any previous discipline imposed, and any other relevant factors.

(3) The Tax Assessor shall notify a license holder of a decision by the Review Board by email and by certified mail, or another method that verifies delivery, to the address of the license holder's principal place of business as shown by the records of the Tax Assessor.

(4) All decisions of the Review Board are subject to final review by the Tax Assessor.

(s) Reinstatement of Licenses and Reconsideration of Adverse Actions.

(1) The Review Board will examine all license suspensions before the end of the suspension period. The Review Board will make a recommendation to the Tax Assessor as to whether the person's license should be reinstated or the suspension continued for an additional period of time not to exceed 90 days. The Tax Assessor shall review the Review Board's recommendation and issue a final decision.

(2) A person whose license is revoked may not apply for a new license.

(3) A person who receives notice of an adverse action taken on the person's license may submit a written request for reconsideration by the Tax Assessor and submit evidence in the form of documents and/or affidavits to demonstrate the person's compliance with all requirements for the issuance, retention, or reinstatement of the person's license. The request for review must be presented to the Tax Assessor within 15 calendar days from the date of mailing of the notice of the action taken on the person's license. The Tax Assessor may increase

the time to present a request for review upon written request and for good cause, as determined in the sole discretion of the Tax Assessor. Upon receipt of a timely request for review, the adverse action shall be stayed until a final decision is made on the license. The Tax Assessor shall render a final decision on the request for reconsideration within 30 calendar days of receipt of the request for review. A delay in rendering a final decision does not set aside, overrule, or withdraw the adverse action, which remains stayed until a final decision is rendered. If, when rendering a decision, the Tax Assessor does not find in favor of the person requesting the reconsideration, the adverse action will be reinstated.

(t) Exemptions. The following persons and their agents are exempt from the licensing and other requirements described in this administrative code:

(1) A franchised motor vehicle dealer or independent motor vehicle dealer who holds a general distinguishing number issued by the department under Texas Transportation Code Chapter 503;

(2) A vehicle lessor holding a license issued by the Motor Vehicle Board under Chapter 2301, Texas Occupations Code, or a trust or other entity that is specifically not required to obtain a lessor license under § 2301.254(a), Texas Occupations Code; and

(3) A vehicle lease facilitator holding a license issued by the Motor Vehicle Board under Chapter 2301, Texas Occupations Code.

(u) Database. The Tax Assessor shall maintain a publicly accessible database containing information about each licensed motor vehicle title service and each licensed motor vehicle title service runner.

(v) Policies and Procedures. The Tax Assessor may adopt other policies and procedures that are not inconsistent with this chapter or other law and to the extent authorized by law.

(w) Amendment. The Tax Assessor reserves the right to amend this chapter in the future.

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 May 18, 2026.

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Annette Ramirez

Harris County Tax Assessor-Collector & Voter Registrar

Harris County Tax Assessor-Collector

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For further information, please call: (713) 274-8005

