

Texas Register

Volume 13, Number 46, June 14, 1988

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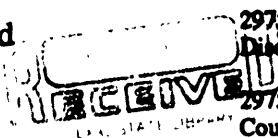
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The *Texas Register* (ISN 0362-4781) is published twice each week at least 100 times a year. Issues will be published on every Tuesday and Friday in 1987 with the exception of January 6, September 1, December 1, and December 29 by the Office of the Secretary of State.

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Information Available: The eight sections of the *Texas Register* represent various facets of state government. Documents contained within them include:

Governor—appointments, executive orders, and proclamations

Attorney General—summaries of requests for opinions, opinions, and open records decisions

Emergency Sections—sections adopted by state agencies on an emergency basis

Proposed Sections—sections proposed for adoption

Withdrawn Sections—sections withdrawn by state agencies from consideration for adoption, or automatically withdrawn by the *Texas Register* six months after proposal publication date

Adopted Sections—sections adopted following a 30-day public comment period

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In Addition—miscellaneous information required to be published by statute or provided as a public service

Specific explanation on the contents of each section can be found on the beginning page of the section. The division also publishes accumulative quarterly and annual indexes to aid in researching material published.

How To Cite: Material published in the *Texas Register* is referenced by citing the volume in which a document appears, the words "TexReg," and the beginning page number on which that document was published. For example, a document published on page 2402 of Volume 6 (1981) is cited as follows: 6 TexReg 2402.

In order that readers may cite material more easily page numbers are now written as citations. Example: on page 2 in the lower left-hand corner of the page, would be written: "13 TexReg 2 issue date," while on the opposite page, page 3, in the lower right-hand corner, would be written "issue date 13 TexReg 3."

How To Research: The public is invited to research rules and information; of interest between 8 a.m. and 5 p.m. weekdays at the *Texas Register* office, 503E Sam Houston Building, Austin. Material can be found using *Texas Register* indexes, the *Texas Administrative Code*, sections number, or TRD number.

Texas Administrative Code

The *Texas Administrative Code* (TAC) is the approved, collected volumes of Texas administrative rules.

How To Cite: Under the TAC scheme, each agency section is designated by a TAC number. For example in the citation 1 TAC §27.15:

1 indicates the title under which the agency appears in the *Texas Administrative Code*;

TAC stands for the *Texas Administrative Code*;

§27.15 is the section number of rule (27 indicates that the section is under Chapter 27 of Title 1; 15 represents the individual section within the chapter).



Texas Register Publications

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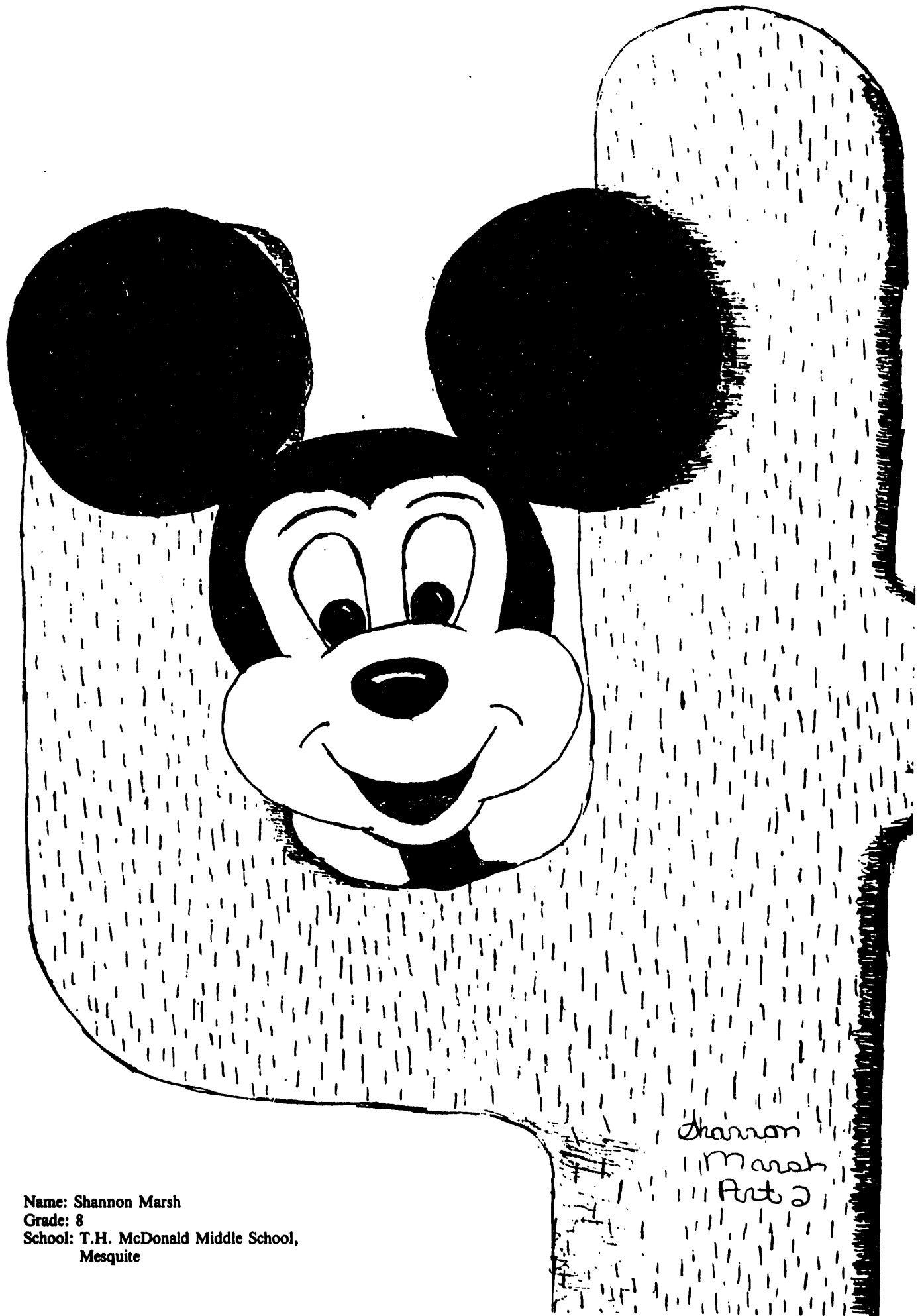
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Shannon
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Art 2

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The Governor

As required by Texas Civil Statutes, Article 6252-13a, §6, the *Texas Register* publishes executive orders issued by the Governor of Texas. Appointments and proclamations are also published. Appointments are published in chronological order. Additional information on documents submitted for publication by the Governor's Office can be obtained by calling (512) 463-1814.

Appointments Made June 3, 1988

To be a member of the Interagency Council on Mentally Retarded, Developmentally Disabled and Mentally Ill Offenders for a term to expire February 1, 1991: Elizabeth Dickey Mills, 6131 Lupton, Dallas, Texas 75225. Pursuant to Senate Bill 719, 70th Legislature.

To be Justice of the First District Court of Appeals until the next general election and until his successor shall be duly elected and qualified: Richard E. Stephanow, 3610 Texas Commerce Tower, Houston, Texas 77002. Mr. Stephanow will be filling the vacated position of Judge Ken Hoyt of Houston.

Issued in Austin, Texas on June 6, 1988.

TRD-8805855

William P. Clements, Jr.
Governor of Texas

Appointment Made June 6, 1988

To be a member of the Texas Board of Corrections for a term to expire February 15, 1991: Robert A. Mann, 510 North Valley Mills Drive, Waco, Texas 76710. Mr. Mann will be filling the unexpired term of Alfred Hughes of Austin who resigned.

Issued in Austin, Texas on June 7, 1988.

TRD-8805897

William P. Clements, Jr.
Governor of Texas





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Emergency Sections

An agency may adopt a new or amended section or repeal an existing section on an emergency basis if it determines that such action is necessary for the public health, safety, or welfare of this state. The section may become effective immediately upon filing with the *Texas Register*, or on a stated date less than 20 days after filing, for no more than 120 days. The emergency action is renewable once for no more than 60 days.

Symbology in amended emergency sections. New language added to an existing section is indicated by the use of **bold text**. [Brackets] indicate deletion of existing material within a section.

TITLE 28. INSURANCE

Part I. State Board of Insurance

Chapter 5. Property and Casualty

Subchapter J. Rules to Implement the Amusement Ride Safety Inspection and Insurance Act

28 TAC §§5.9005-5.9007

The State Board of Insurance repeals on an emergency basis §§5.9005-5.9007, concerning implementation of the Amusement Ride Safety Inspection and Insurance Act (the Act). An imminent peril to the public health, safety, and welfare requires repealing of these sections on an emergency basis in order to provide immediate implementation of inspection and reporting requirements under the amended structure of the Act (the Insurance Code, Article 21.60). Such implementation is necessary to promote the safe operation of amusement rides in this state and to provide strong administrative regulation for enforcement of the safeguards required under the Act. The repeal of these sections enables the board simultaneously to adopt new sections which replace these repealed sections with similar provisions in a more understandable format with clearer language in conformance with recent statutory amendments. Notification appears elsewhere in this issue of the *Texas Register* for adoption on an emergency basis of the new sections which replace these repealed sections.

The sections are repealed on an emergency basis under the Insurance Code, Article 21.60, §3, which provides that the State Board of Insurance shall administer and enforce the Amusement Ride Safety Inspection and Insurance Act.

§5.9005. *Filing Affidavit.*

§5.9006. *Board Information Request.*

§5.9007. *Board Confirmation of Required Insurance and Safety Inspection Certificate; Rules Construction.*

Issued in Austin, Texas, on June 7, 1988.

TRD-8805890 Nicholas Murphy
Chief Clerk
State Board of Insurance

Effective date: June 7, 1988

Expiration date: October 5, 1988

For further information, please call: (512) 463-6327

28 TAC §§5.9001-5.9008

The State Board of Insurance adopts on an emergency basis amendments to §§5.9001-5.9004 and new §§5.9005-5.9008, concerning implementation of the Amusement Ride Safety Inspection and Insurance Act (the Act). Adoption of new §§5.9006-5.9008 is simultaneous with the repealing of old §§5.9005-5.9007. Notification of the repeals appears elsewhere in this issue of the *Texas Register*. New §5.9006 (relating to Filing Affidavit) replaces repealed §5.9005. New §5.9007 (relating to Board Information Request) replaces repealed §5.9006. New §5.9008 (relating to Board Confirmation of Required Insurance and Inspection Certificate; Rule Construction) replaces repealed §5.9007 (relating to Board Confirmation of Required Insurance and Safety Inspection Certificate; Rule Construction). An imminent peril to the public health, safety, and welfare requires adoption of these amendments and new sections on an emergency basis in order to provide immediate implementation of inspection and reporting requirements under the amended structure of the Act (the Insurance Code, Article 21.60). Such implementation is necessary to promote the safe operation of amusement rides in this state and to provide strong administrative regulation for enforcement of the safeguards required under the Act. The amendment to §5.9001 clarifies language and phrasing. The amendment to §5.9002 adds or amends definitions of Act, amusement ride, Class A amusement ride, and Class B amusement ride to conform to definitions in the Insurance Code, Article 21.60. The amendment to §5.9003 clarifies language and eliminates one use of the word "safety" in order to make the section conform with amended statutory language. The amendment to §5.9004 clarifies language and phrasing throughout the section, and eliminates three uses of the word "safety" from paragraph (2) in order to make the section conform with amended statutory language. The amendment to §5.9004 also adopts by reference a revision of SBI Form AR-100, which §5.9004(2)(E) adopts by reference as the Amusement Ride Inspection Certificate, to reflect proper designation and language of the Amusement Ride Safety Inspection and Insurance Act as the Insurance Code, Article 21.60, and to eliminate the word "safety" from the certification language in order to conform with amended statutory language. In order to reflect recent amendments to the Insurance Code, Article 21.60, §4(a)(2), the amendment to §5.9004 also modifies the amount of insurance which a person who operates an amusement ride must maintain in force. New §5.9005 prescribes and adopts by reference a Quarterly Injury Report (SBI Form AR-800), which must be filed with the State Board of Insurance at the end of each quarter to provide a description of any injury

that results in death or requires medical treatment by a medical professional. In order to accommodate the newly inserted §5.9005, new §§5.9006-5.9008 replace repealed §§5.9005-5.9007. New §5.9006 requires filing of affidavits, insurance policies, and inspection certificates prior to operation of amusement rides and after supplemental inspections. New §5.9007 requires that, when the State Board of Insurance requests information concerning amusement rides, responses must be by written verification with accompanying documentation. New §5.9007 also includes a reference to statutory language at the beginning of the section in order to clarify the meaning of the section. New §5.9008 requires that a copy of an inspection certificate bearing confirmation by the State Board of Insurance must be kept on the premises of an amusement ride, and states that nothing in this subchapter may be construed to authorize the operation of an amusement ride until all applicable requirements of law are met. New §5.9008 also eliminates the word "safety" in the title and in subsections (a) and (b) to make the section conform with amended statutory language. The board has filed copies of SBI Form AR-800 and of revised SBI Form AR-100 with the Secretary of State's Office, Texas Register Section. Persons desiring copies of either form can obtain copies from the Amusement Ride Regulation Section, Loss Control Regulation Division, State Board of Insurance, 1110 San Jacinto Boulevard, Austin, Texas 78701-1998.

The amendments and new sections are adopted on an emergency basis under the Insurance Code, Article 21.60, §3, which provides that the board shall administer and enforce the Amusement Ride Safety Inspection and Insurance Act.

§5.9001. *Purpose and Scope.* It is the purpose of this [This] subchapter to aid [aids] in implementing the Amusement Ride Safety Inspection and Insurance Act (the Insurance Code, Article 21.60) [(hereinafter referred to as the Act)]. The provisions of this subchapter [They] are in addition to, and not in lieu of, the provisions of the Act. This subchapter applies to:

- (1) any amusement ride as defined in the Act, §2(1);
- (2) the owner or operator of any amusement ride [those rides];
- (3) any agent or representative of the owner or operator of any amusement ride;
- (4) [and to] any insurer, [their agents, and representatives,] including any surplus lines insurer [agents and non admitted companies], as defined in the Insurance Code, Article 1.14-2, and any other

nonadmitted company;

(5) any agent or representative of any insurer, including surplus lines agents, as defined in the Insurance Code, Article 1.14-2, and agents of any nonadmitted company; and

(6) any [an] independently procured policy subject to the Insurance Code, Article 1.14-1, providing bodily injury liability insurance for amusement rides.

§5.9002. Definitions. The following words and terms, when used in this subchapter [these sections], shall have the following meanings, unless the context clearly indicates otherwise.[:]

Act—The Amusement Ride Safety Inspection and Insurance Act (the Insurance Code, Article 21.60).

Amusement Ride—Any mechanical device or devices that carry or convey passengers along, around, or over a fixed or restricted route or course or within a defined area for the purpose of giving its passengers amusement, pleasure, or excitement, but such term does not include:

(A) any [single-passenger,] coin-operated ride that is manually, mechanically, or electrically operated and customarily placed in a public location and that does not normally require the supervision or services of an operator; or

(B) nonmechanized playground equipment, including, but not limited to, swings, seesaws, stationary spring-mounted animal features, rider-propelled merry-go-rounds, climbers, playground slides, trampolines, and physical fitness devices.

Class A amusement ride—An amusement ride designed primarily for use by children 12 years of age or younger.

Class B amusement ride—Any amusement ride not defined as a Class A amusement ride.

§5.9003. Administration and Enforcement. The board is required by the Act, §3, to administer and enforce the Act. Persons operating amusement rides must pay a fee of \$20 per year for each amusement ride subject to the Act. The fee payment shall accompany the insurance policy and amusement ride [safety] inspection certificate (SBI [State Board of Insurance] Form AR-100) required by the Act, §4, and by §5.9004 of this title (relating to Amusement Ride Operation Requirements). The fees shall be paid by certified check or money order made payable to the State Board of Insurance. The applicant shall attach the certified check or money order to the inspection certificate (SBI [State Board of Insurance] Form AR-100). The certified

check or money order may be one check or money order for the total amount of fees for all rides or a separate check for each ride.

§5.9004. Amusement Ride Operation Requirements. A person may not operate an amusement ride unless[:] such person has satisfied and is continuing to satisfy the following requirements.

(1) Such person must file [he or she files] with the board the insurance policy or a photocopy of the insurance policy required by the Act, §4(a)(2) [§4(2)]. The Act, §4(a)(2), requires that any person who operates an amusement ride must have currently in force an insurance policy written by an insurance company authorized to do business in this state or by a surplus lines insurer, as defined by the Insurance Code, Article 1.14-2, or an independently procured policy subject to the Insurance Code, Article 1.14-1, in an amount of not less than \$100,000 per occurrence with a \$300,000 annual aggregate for Class A amusement rides and an amount of not less than \$1,000,000 per occurrence for Class B amusement rides insuring the owner or operator against liability for injury to persons arising out of the use of the amusement ride. The policy shall apply on a per occurrence basis to bodily injury. Combined single limit policies covering bodily injury and property damage or any other coverage combined with bodily injury will not be acceptable. [:]

(A) The policy or photocopy must be complete, including all applicable coverage forms and endorsements. Certificates of insurance will not be acceptable for this purpose. [:].

(B) The policy must contain a schedule listing by name and serial number each amusement ride insured by the policy. In the event of additions or deletions of amusement rides during the policy term, such changes shall be shown on a change endorsement, a copy of which must be submitted to the board. Additions will also require an inspection certificate (State Board of Insurance Form AR-100) and a \$20 annual inspection fee for each amusement ride to be filed with the board prior to any operation of [operating] the added amusement ride. Additions or deletions shall be filed no later than 10 days after the change. [:]

(C) In the event of policy cancellation by either the insured owner/operator or the insurance company, the company shall furnish notice of such cancellation to the board as soon as possible, but not later than 10 days prior to cancellation. [:]

(2) Such person must also file [he or she also files] an amusement ride

[safety] inspection certificate (SBI Form AR-100), or a photocopy of such certificate, certifying with respect to each amusement ride the matters required by the Act, §4(a)(1) [§4(1)]. A separate inspection certificate for each amusement ride showing the name, serial number, and manufacturer of the ride is required. [:]

(A) If an inspection reveals that an amusement ride does not meet the insurance company's standards for coverage, the inspection certificate shall specifically describe the [safety] hazard(s) and the necessary repair(s) or replacement(s) required for the amusement ride to meet the standards for coverage. It shall be the responsibility of the owner or operator of the amusement ride to make the necessary repair(s) or replacement(s) before the amusement ride is offered for public use. [:]

(B) Before the amusement ride is operated, a supplemental amusement ride [safety] inspection certificate (SBI Form AR-100) shall be filed with the board after necessary repair(s) and/or replacement(s) have been made and inspected. An additional annual \$20 fee is not required for supplemental inspection certificates. [:]

(C) The insurer or person with whom the insurer has contracted to make the inspection must be professionally qualified to perform the inspection. [:]

(D) It shall be the responsibility of the amusement ride owner or operator to request an insurance policy and inspection in such time to permit the insurance company to complete the inspection and policy issuance prior to [operating] any operation of the amusement ride. It shall be the responsibility of the insurance company, if it chooses to provide coverage, to furnish the insured the policy and inspection certificate required to be filed with the board in a timely fashion. [:]

(E) SBI Form AR-100 (Revised 9-87) is adopted herein by reference and shall be used for each filing of an amusement ride inspection certificate required by this subchapter. This form (the Amusement Ride Inspection Certificate) is published by the State Board of Insurance and copies of the form may be obtained from the [by contacting] Amusement Ride Regulation Section, Loss Control Regulation Division, State Board of Insurance, 1110 San Jacinto Boulevard [Street], Austin, Texas 78701-1998. [78786;]

(3) Such person must provide [he or she provides] the certificate required by the Act, §4(a)(4) [§4(4)], and the certificate must certify [certifies] that the insurance required by the Act will continue in effect for the period of time the amusement

ride is being offered for use by the public. [;]

(A) In the event of policy cancellation or expiration, the policy shall promptly be [promptly] replaced or renewed without any lapse in coverage while the amusement ride is offered for use by the public. The sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public shall be notified of the coverage continuance. [;]

(B) A certificate of insurance or a photocopy of the declaration page of the owner's/operator's amusement ride liability policy [,] will be acceptable for the purpose of this paragraph, if the certificate or declaration page shows:

(i) insurance coverage against liability for injury to persons arising out of the use of the amusement ride;

(ii) an amount of insurance of not less than \$100,000 per bodily injury occurrence with a \$300,000 annual aggregate for Class A amusement rides and [showing] an amount of insurance of not less than \$1 million per bodily injury occurrence for Class B amusement rides; and

(iii) a policy term that includes the period of time during which the amusement ride will be offered for public use [will be acceptable for the purpose of this paragraph].

§5.9005. Quarterly Injury Reports. A person who operates an amusement ride (the operator) shall maintain accurate records of each injury caused by the ride which injury results in death or requires medical treatment.

(1) The State Board of Insurance adopts and incorporates herein by reference SBI Form AR-800 (Quarterly Injury Report). This form is published by the State Board of Insurance and copies of the form may be obtained from the Amusement Ride Regulation Section, Loss Control Regulation Division, State Board of Insurance, 1110 San Jacinto Boulevard, Austin, Texas 78701-1998. The operator shall file an injury report on SBI Form AR-800 with the State Board of Insurance on a quarterly basis and shall include in the report a description of each injury caused by a ride

that results in death or requires medical treatment.

(2) For purposes of this section, the term "medical treatment" includes treatment (other than first aid) administered by a physician or by registered professional personnel under the standing orders of a physician.

(3) For purposes of this section, the term "medical treatment" does not include first-aid treatment (one-time treatment and subsequent observation of minor scratches, cuts, burns, splinters, and any other minor injuries that do not ordinarily require medical care) even though treatment is provided by a physician or by registered professional personnel.

(4) No quarterly injury report is required of the operator for any quarter in which no reportable injury occurs.

§5.9006. Filing Affidavit. In addition to the requirements of the Act, §5, the following requirements apply.

(1) In the event a contract for use of an amusement ride provides that the amusement ride will not be operated until after July 1 but prior to December 31 of any year, then timely filing of the insurance policy and inspection certificate shall be made with the board prior to the operation of the amusement ride. In no event may an amusement ride be operated before the inspection certificate and policy are filed with the board as required by §5.9004 of this title (relating to Amusement Ride Operation Requirements).

(2) If the amusement ride is inspected more than once a year, a supplemental inspection certificate (SBI Form AR-100) must be filed with the board not later than 15 days after each subsequent inspection. An additional annual \$20 fee is not required for supplemental inspection certificates.

§5.9007. Board Information Request. The Act, §6, states that the board may request, from the sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public, information concerning whether or not insurance in the amount required by the Insurance Code, Article 21.60, is in effect on the amusement ride. The sponsor, lessor, landowner, or other person to whom the information request is made shall respond to the board within 15 days after the request is made. The response required by the Act,

§6, must be by written verification. For the purpose of verification, the written response shall include a copy of the declarations page of the policy insuring the amusement ride owner or operator. A certificate of insurance will also be acceptable for this purpose, provided the certificate of insurance complies with the requirements of this subchapter.

§5.9008. Board Confirmation of Required Insurance and Inspection Certificate; Rule Construction.

(a) After the required insurance policy and inspection certificate, including certified check(s) or money order(s) for the total amount of annual fee, have been received by the board and found to be in compliance with the Act and this subchapter, a copy of the amusement ride inspection certificate (SBI Form AR-100) will be stamped "received" and returned to the insured owner or operator as evidence of compliance with filing requirements. The returned inspection certificate must be kept on the premises at which the amusement ride is offered for public use and made available to any person granted authority under the Act to investigate compliance with the Act.

(b) If the required insurance policy, inspection certificate, and/or annual fee is found not to be in compliance with the Act, this subchapter, or other applicable law, a compliance request form will be sent to the insured owner or operator indicating the necessary action(s) for compliance. After the necessary actions have been made by the owner or operator to the satisfaction of the board, a copy of the amusement ride inspection certificate (SBI Form AR-100) stamped "received" will be mailed to the insured owner or operator.

(c) Nothing in this subchapter may be construed to authorize the operation of an amusement ride until all applicable requirements of law are met.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805889

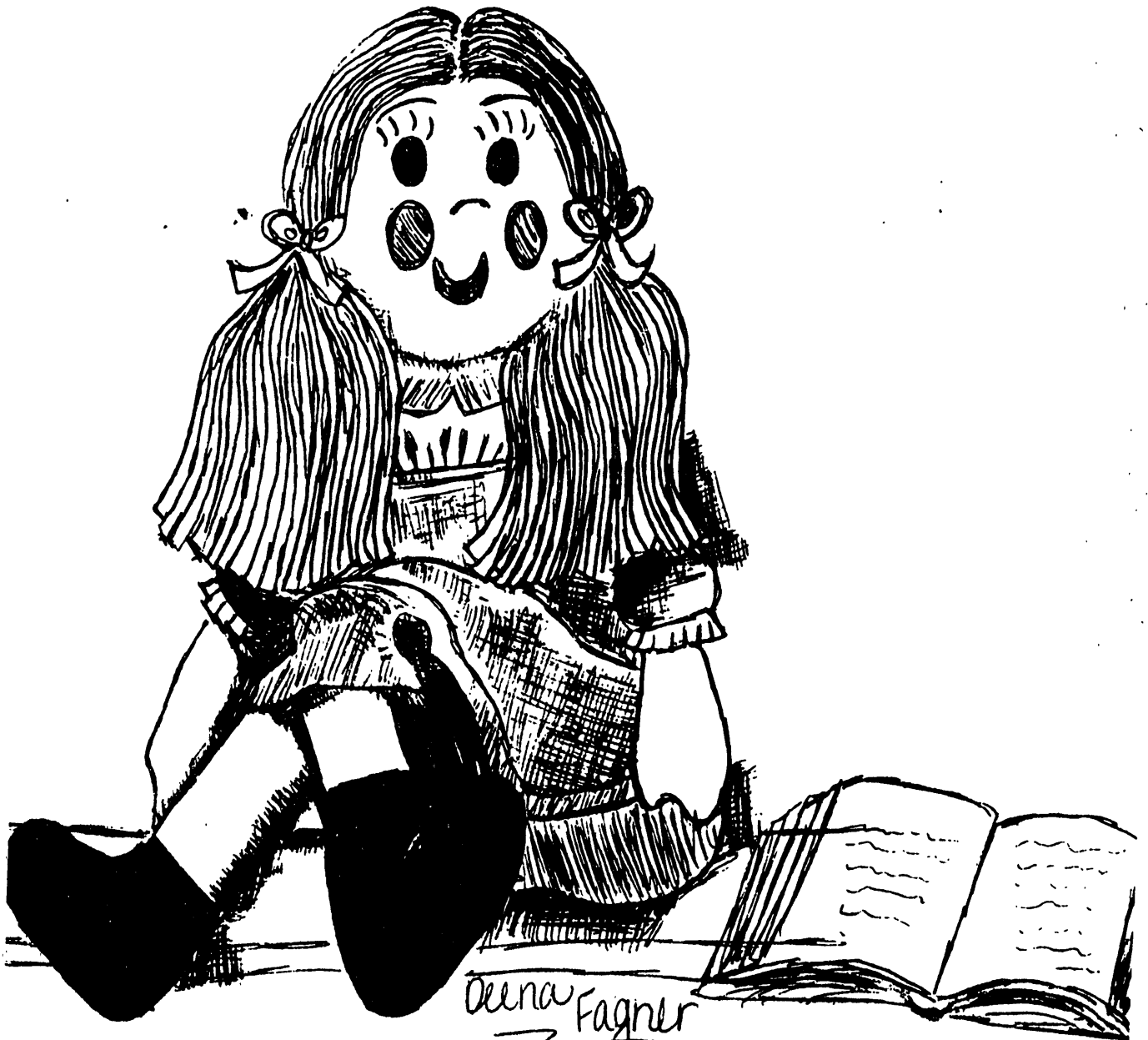
Nicholas Murphy
Chief Clerk
State Board of Insurance

Effective date: June 7, 1988

Expiration date: October 5, 1988

For further information, please call: (512) 463-6327

◆ ◆ ◆



Grade: 8
School: T.H. McDonald Middle School,
Mesquite

Proposed Sections

Before an agency may permanently adopt a new or amended section, or repeal an existing section, a proposal detailing the action must be published in the *Texas Register* at least 30 days before any action may be taken. The 30-day time period gives interested persons an opportunity to review and make oral or written comments on the section. Also, in the case of substantive sections, a public hearing must be granted if requested by at least 25 persons, a governmental subdivision or agency, or an association having at least 25 members.

Symbology in proposed amendments. New language added to an existing section is indicated by the use of bold text. [Brackets] indicate deletion of existing material within a section.

TITLE 16. ECONOMIC REGULATION Part 1. Railroad Commission of Texas Chapter 13. Regulations for Compressed Natural Gas Fuel Systems

Subchapter E. Classification, Registration, and Examination

• 16 TAC §13.84

The Railroad Commission of Texas proposes an amendment to §13.84(a)(4), concerning motor vehicle liability insurance requirements for Compressed Natural Gas licensees, licensed by the State of Texas.

The proposed amendment would reduce the amount of motor vehicle liability insurance coverage a CNG category three licensee would be required to carry. Rather than the minimum \$250,000 bodily injury per person plus \$750,000 bodily injury per occurrence, plus \$150,000 property damage per occurrence, or \$900,000 combined single limits, which are currently applicable, the overall limits would be reduced. A CNG category three licensee or ultimate consumers who have purchased, leased, or obtained other rights in any vessel defined as a CNG transport by the Natural Resources Code of Texas, Chapter 116, would, under the proposed amendment, be required to carry motor vehicle liability insurance coverage of a minimum \$500,000 combined single limit for bodily injuries or death of all persons injured or killed in any accident, and loss or damage in any one accident to property of others. This reduction in minimum coverage requirements would make the motor vehicle liability insurance requirements of CNG licensees who are transporters the same as the motor vehicle liability insurance requirements for certificated motor carriers licensed by the transportation division of the Railroad Commission. The proposed amendment would also require the same level of coverage as is currently being proposed for comparable categories of LP-gas licensees.

Cleve Moten, hearings examiner, has determined that for the first five-year period the proposed section is in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the section.

Mr. Moten also has determined that for each year of the first five years the section is in effect the public benefit anticipated as a result

of enforcing the section will be increased security from greater compliance with the more reasonable insurance requirement. There is no anticipated economic cost to individuals who are required to comply with the section as proposed. The cost of compliance with the section for small business will be reduced, since the level of motor vehicle liability insurance coverage required will be lower than that currently required.

Any interested person is invited to comment on the proposed amendment. Comments should be addressed to: Cleve Moten, Hearings Examiner, Legal Division, Railroad Commission of Texas, P.O. Drawer 12967, Austin, Texas 78711-2967. Comments will be accepted for 30 days from the date of publication hereof.

The amendment is proposed under the Texas Natural Resources Code, §116.012, which authorizes the Railroad Commission of Texas to promulgate rules and standards relating to the Compressed Natural Gas Industry and its operations which promote or tend to promote the health, safety, and welfare of the general public.

§13.84. Insurance Requirements.

(a) Pursuant to the Texas Natural Resources Code, Chapter 116, the Railroad Commission of Texas has adopted the following insurance requirements for those persons or businesses licensed by the CNG Section to do business in Texas. A valid certificate of insurance shall be filed with the CNG Section before the section grants or renews a license.

(1)-(3) (No change.)

(4) All category three licensees or ultimate consumers, who have purchased, leased, or obtained other rights in any vessel defined as a CNG transport by this chapter, shall have motor vehicles liability insurance coverage of a minimum of \$500,000, combined single limit for bodily injuries or death for all persons injured or killed in any accident, and loss or damage in any one accident to property of others.

(b)-(e) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 6, 1988.

TRD-8805874

G. Gail Watkins
Director, Legal Division
Railroad Commission of
Texas

Earliest possible date of adoption: July 15, 1988

For further information, please call: (512) 463-6921

◆ ◆ ◆ Part IV. Texas Department of Labor and Standards Chapter 63. Labor, Licensing, and Enforcement

• 16 TAC §§63.21-63.26

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Labor and Standards or in the Texas Register office, Room 503, Sam Houston Building, 201 East 14th Street, Austin.)

The Texas Department of Labor and Standards proposes the repeal of §§63. 21-63.26, concerning private employment agencies. Texas Civil Statutes, Article 5221a-6, concerning private employment agency law was repealed by Acts 1979, 66th Legislature, effective August 27, 1979.

Joe Huertas, director, labor, licensing, and enforcement, has determined that for the first five-year period the proposed repeals are in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the repeals.

Mr. Huertas also has determined that for each year of the first five years the repeals are in effect there will be no public benefit anticipated as a result of enforcing the repeals. There is no anticipated economic cost to individuals who are required to comply with the repeals as proposed.

Comments on the proposal may be submitted to Jennifer Mellett, General Counsel, P.O. Box 12157, Austin, Texas 78711.

The repeals are proposed under Texas Civil Statutes, Article 6252-13a, which provide the commissioner of the Texas Department of Labor and Standards with the authority to promulgate any and all reasonable rules and regulations which may be necessary for purposes of conforming to the provisions of this Act.

§63.21. Applications for Operator's License.

§63.22. Applications for Employment

Agency License.

§63.23. Renewal of Operators and Agency License.

§63.24. Licensing Exam.

§63.25. Bonds.

§63.26. Violations of Law.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 2, 1988.

TRD-8805862

Larry Kostra
Assistant Commissioner
Texas Department of Labor
and Standards

Earliest possible date of adoption: July 15, 1988

For further information, please call: (512) 463-3128

◆ ◆ ◆
Chapter 73. Manufactured Housing Division

• 16 TAC §§73.1-73.9

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Labor and Standards or in the Texas Register office, Room 503, Sam Houston Building, 201 East 14th Street, Austin.)

The Texas Department of Labor and Standards proposes the repeal of §§73. 1-73.9, concerning the Residential Conservation Service Texas Energy and Natural Resources Advisory Council Program. Acts 1983, 68th Legislature, Page 1024, Chapter 235, §14, Texas Natural Resources Code, Chapter 162, was subject to the Texas Sunset Act. The council was not continued in existence by the Texas Sunset Act and the above chapter expired September 1, 1983. There is no provision for Chapter 73.

Harry Christensen, acting director, manufactured housing division, has determined that for the first five-year period the proposed repeals are in effect there will be no fiscal implications for state or local government or small businesses as a result of enforcing or administering the repeals.

Mr. Christensen also has determined that for each year of the first five years the repeals are in effect there will be no public benefit anticipated as a result of enforcing the repeals. There is no anticipated economic cost to individuals who are required to comply with the repeals as proposed.

Comments on the proposal may be submitted to Jennifer Mellett, General Counsel, P.O. Box 12157, Austin, Texas 78711.

The repeals are proposed under Texas Civil Statutes, Article 6252-13a, which provide the commissioner of the Texas Department of Labor and Standards with the authority to promulgate any and all reasonable rules and regulations which may be necessary for purposes of conforming to the provisions of this Act.

§73.1. Master List Compilation.

§73.2. Application for Listing.

§73.3. Security and Insurance Require-

ments.

§73.4. Listing Fee.

§73.5. Certificate of Completion.

§73.6. Postinstallation Inspection Fee.

§76.7. Postinstallation Inspection Violation Response.

§73.8. Clarification of Terms.

§73.9. Consumer Grievance Procedures.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 2, 1988.

TRD-8805861

Larry Kostra
Assistant Commissioner
Texas Department of Labor
and Standards

Earliest possible date of adoption: July 15, 1988

For further information, please call: (512) 463-3128

◆ ◆ ◆
TITLE 31. NATURAL RESOURCES AND CONSERVATION

Part X. Texas Water Development Board

Chapter 355. Research and Planning Fund

Regional Water Supply and Wastewater Planning

• 31 TAC §§355.11, 355.12, 355.18

The Texas Water Development Board proposes amendments to §§355.11, 355.12, and 355.18, concerning regional water supply and wastewater planning for the research and planning fund. The amendments change cost sharing and grant acceptance provisions for regional water supply and wastewater planning projects.

The amendments to §335.11 and §335.18 give the board the authority to extend a grant commitment for a second 90-day period. Board approval of a second 90-day period to accept a grant and provide evidence of local matching funds is designed to give regional planning applicants sufficient time to raise local matching funds.

The amendment to §355.12 allows the board to fund up to 75% of planning costs for areas exhibiting three select characteristics. The three are areas reporting unemployment figures greater than 50% over the state average unemployment rate, areas exhibiting per capita income for the last reporting period available for the state of less than 65% of the state average, and areas demonstrating that regional planning would be unlikely to occur without state assistance beyond 50%. Amending the existing rule will help to ensure that economically distressed areas can compete for and receive regional planning assistance.

Susan Taylor, director of accounting, has determined that for the first five-year period the proposed sections are in effect there will be no fiscal implications for state or local govern-

ment or small businesses as a result of enforcing or administering the sections.

Mrs. Taylor also has determined that for each year of the first five years the sections are in effect the public benefit anticipated as a result of enforcing the sections will be ensuring that regional planning grant funds can be made available to the state's poorest counties and communities and providing local political subdivisions with adequate time to raise required matching funds.

Mrs. Taylor has further determined that, because the amendments as proposed apply only to political subdivisions of the state, there will be no fiscal impacts on private businesses, irrespective of size.

Comments on the proposal may be submitted to Herbert W. Grubb, Director of Planning, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711.

The amendments are proposed pursuant to the authority in the Texas Water Code, §6.101, which authorizes the board to adopt rules necessary to carry out its powers and duties, and the Texas Water Code, §15.403, which authorizes the board to adopt rules governing the research and planning fund.

§355.11. Purpose. It is the intent of the board to establish a general policy for processing applications to fund planning for regional water supply and wastewater collection and treatment facilities by political subdivisions. Because of the limited supply of funds, each applicant will have 90 days from board approval to enter into the contract and to demonstrate to the executive administrator that it has its matching share committed and available. The board may authorize one additional 90-day extension to enter into a contract and to provide evidence of local matching fund availability. Funding of regional planning projects shall be at the discretion of the board from funds in the research and planning fund created in the state treasury, and in accordance with §355.1 of this title (relating to General Policy).

§355.12. Applicability.

(a) (No change.)

(b) The board will generally provide funding not to exceed 50% of planning costs. The board may approve funding up to 75% of total planning costs for areas that exhibit all of the following characteristics:

(1) reporting unemployment figures greater than 50% over the state average unemployment rate;

(2) exhibiting per capita income for the last reporting period available for the state of less than 65% of the state average; and

(3) demonstrating that regional planning would be unlikely to occur without state assistance beyond 50%.

(c) (No change.)

§355.18. Disbursement of Contracted Funds and Cost Accounting.

(a) Contracts. A contract between the applicant (contractor) and the board will be used. Contracts entered into shall contain terms and conditions considered appropriate to protect the interests of the state and the contractor. The applicant has 90 days from the date of board approval to execute the contract and to provide written evidence acceptable to the executive administrator that the applicant has available its matching share of funds. The board may authorize one additional 90-day extension to execute the contract and to provide evidence of local matching fund availability.

(b)-(h) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 3, 1988.

TRD-8805836 Suzanne Schwartz
General Counsel
Texas Water Development
Board

Earliest possible date of adoption: July 15, 1988

For further information, please call: (512) 463-7850

◆ ◆ ◆
**TITLE 40. SOCIAL
SERVICES AND
ASSISTANCE**

**Part I. Department of
Human Services**

**Chapter 29. Purchased Health
Services**

**Subchapter G. Hospital
Services**

• 40 TAC §29.606

The Texas Department of Human Services (DHS) proposes an amendment to §29.606, concerning the reimbursement methodology for inpatient hospital services, in its Purchased Health Services rule chapter. Section 29.606 is being amended to define new hospitals and the methodology for establishing the standard dollar amount for new hospitals. This amount will be the lesser of the overall arithmetic mean base year payment per case, plus three percentile points or the hospital's average Medicaid cost per Medicaid discharge based on the tentative or, if applicable, final settlement of the hospital's first 12-month cost reporting period after its enrollment as a Title XIX provider.

Brian Packard, associate commissioner for budget, planning, and economic analysis, has determined that for the first five-year period the proposed section will be in effect there will be fiscal implications as a result of enforcing or administering the section. The effect on state government for the first five-year period the section will be in effect is an estimated additional cost of \$534,045 in fiscal year 1989; \$294,663 in fiscal year 1990; \$410,361

in fiscal year 1991; \$579,017 in fiscal year 1992; and \$484,224 in fiscal year 1993. There is no anticipated effect on local government or small businesses as a result of enforcing or administering the section.

Mr. Packard has also determined that for each year of the first five years the section is in effect the public benefit anticipated as a result of enforcing the section will be more adequate reimbursement for new hospitals that provide services to Medicaid recipients. There is no anticipated economic cost to individuals who are required to comply with the proposed section.

Comments on the proposal may be submitted to Cathy Rossberg, Administrator, Policy Development Support Division-362, Texas Department of Human Services 222-E, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

The amendment is proposed under the Human Resources Code, Title 2, Chapters 22 and 32, which provides the department with the authority to administer public and medical assistance programs.

§29.606. *Reimbursement Methodology for Inpatient Hospital Services.*

(a) (No change.)

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

(1)-(7) (No change.)

(8) New Hospital—A facility that has been in operation under present and previous ownership for less than three years and that initially enrolls as a Title XIX provider after the current base year.

(c) Calculating relative weights and standard dollar amounts. The department or its designee uses recent Texas claims data to calculate both the relative weights and standard dollar amounts. A relative weight is calculated for each DRG and applied to all payment divisions. A separate standard dollar amount is calculated for each payment division. Except for border hospitals with a Texas Medicaid provider number beginning with an H, the department or its designee uses the overall arithmetic mean base year payment per case as the standard dollar amount to reimburse out-of-state hospitals. Except for new hospitals, the overall arithmetic mean base year payment per case is also used as the standard dollar amount to reimburse hospitals that initially enroll as a Title XIX provider after the current base year [policies contained in this section are implemented]. The standard dollar amount for new hospitals is the lesser of the overall arithmetic mean base year payment per case, plus three percentile points or the hospital's average Medicaid cost per Medicaid discharge based on the tentative or final settlement, if applicable, of the hospital's first 12-month cost reporting period occurring after the hospital's enrollment as a Title XIX provider. The use of the hospital's average Medicaid cost per

Medicaid discharge as its standard dollar amount is applied prospectively to the beginning of the next prospective year and is applicable only if the tentative or final settlement is completed and available at least 60 days before the beginning of the prospective year. The hospital's Medicaid costs are determined using similar methods and procedures used in Title XVIII of the Social Security Act, as amended, effective October 1, 1982, by Public Law 97-242. If a specific DRG has less than 10 observations for Medicaid data, the department or its designee uses the corresponding Medicare relative weight. The department or its designee makes no distinction between urban and rural hospitals and there is no federal/national portion within the payment.

(d)-(o) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805911 Marilyn W. Johnston
Commissioner
Texas Department of
Human Services

Proposed date of adoption: September 1, 1988.

For further information, please call: (512) 463-3765

◆ ◆ ◆
**Chapter 69. Contracted
Services**

**Subchapter L. Contract
Administration**

• 40 TAC §§69.280, 69.282, 69.284,
69.286, 69.288, 69.290

The Texas Department of Human Services (DHS) proposes new §§69.280, 69.282, 69.284, 69.286, 69.288, and 69.290, concerning the disposition of audit exceptions and other audit findings, in its contracted services rule chapter.

Brian Packard, associate commissioner for budget, planning, and economic analysis, has determined that for the first five-year period the proposed sections will be in effect there will be no fiscal implications for state or local governments or small businesses as a result of enforcing or administering the sections.

Mr. Packard has also determined that for each year of the first five years the sections are in effect the public benefit anticipated as a result of enforcing the sections will be more clearly defined requirements for the department's audit resolution process, which should result in more timely and uniform resolutions of audit exceptions. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Cathy Rossberg, Administrator, Policy Development Support Division-154, Texas Department of Human Services 222-E, P.O. Box

2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

The sections are proposed under the Human Resources Code, Title 2, Chapter 22, which provides the department with the authority to administer public assistance programs.

§69.280. Audit Identification Number. Audited contractors must cite the audit identification (DIG) number in all audit related correspondence. Audit related correspondence includes submitting payments for audit exceptions and requesting appeals of audit findings.

§69.282. Sanctions for Administrative Errors.

(a) Administrative errors are violations of contract requirements, federal regulations, state laws, and department policies when it is established that the services described in the contract have been delivered to eligible clients.

(b) The department imposes a monetary exception sanction based on the administrative costs in the unit rate/contract.

(c) Each program area establishes specific rules governing the percentage sanction for administrative errors based on the administrative costs associated with the service.

(d) For services without an established specific administrative error sanction, the department assesses a 15% sanction.

(e) The administrative error sanction amount must be collected by management staff.

§69.284. Time Limit and Options for Responding to DHS.

(a) Audited contractors must respond to the negotiated settlement within 30 days of receiving the department's demand letter, subject to the limits on filing a request for an appeal in §69.288 of this chapter (relating to the Audit Appeals Process). If the contractor does not respond within this time, the department will begin involuntary collection procedures.

(b) Options for responding to the settlement offer include:

(1) accepting it and paying the actual liability due in a lump sum;

(2) accepting it and requesting an installment payment plan; or

(3) refusing it and requesting an appeal.

§69.286. Computing Interest on Unpaid Audit Charges.

(a) The department charges interest on all unpaid debts related to audits. Interest is computed pursuant to Texas Civil Statutes, Article 5069-1.05 on the unpaid balance due on a simple interest basis.

(b) If the recoupment amount is not paid in full within 30 days of receiving the demand letter, interest begins to accrue on the thirty-first day and continues to accrue during any appeal process.

(c) Interest accrues during any administrative appeal process that extends beyond the thirty-first day of receiving the demand letter. If the appeal is found in the appellant's favor, the interest that accrued against the portion of the exception found in his favor is dismissed. The department collects the interest on any other exception still owed.

(d) The department charges and collects interest on installment payments.
§69.288. Audit Appeals Process.

(a) To request an audit appeal, the contractor must file a written request for a hearing according to §79.1605 of this title (relating to Request for a Hearing).

(b) If the contractor rejects a settlement offer from the department, the department may demand the entire amount of the exception.

§69.290. Criteria for Installment Payments. Debts owed the state as a result of audit exceptions may be paid in installments based on a written installment payment agreement between the department and the contractor, subject to the criteria in paragraphs (1) through (3) of this section. The agreement must be signed by the contractor's legally authorized representative and the administrator. To pay in installments, the contractor must be:

(1) financially unable to pay in a lump sum or, if required to do so, would be unable to provide a priority service;

(2) a current provider of a priority service; and

(3) able to repay the amount in 24 or fewer installments.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805907 Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Proposed date of adoption: August 1, 1988.

For further information, please call: (512) 463-3765

◆ ◆ ◆ Subchapter M. Auditing

• 40 TAC §§69.301-69.305

The Texas Department of Human Services (DHS) proposes new §§69.301-69.305, concerning methods for auditing contracts, contract compliance auditing costs, recoupment of improper payments, secondary documentation, and prior approval. The sections are proposed under new Subchapter M. Also in this issue of the *Texas Register*, DHS is proposing the repeal of Chapter 76, concerning Auditing, which contained these sections. DHS is updating and moving these sections to Chapter 69 to keep all sections about auditing in the same rule chapter.

Brian Packard, associate commissioner for budget, planning, and economic analysis, has determined that for the first five-year period the proposed sections will be in effect there will be no fiscal implications for state or local governments or small businesses as a result of enforcing or administering the sections.

Mr. Packard has also determined that for each year of the first five years the sections are in effect the public benefit anticipated as a result of enforcing the sections will be the availability of the department's auditing procedures in one rule chapter. There is no anticipated economic cost to individuals who are required to comply with the proposed sections.

Comments on the proposal may be submitted to Cathy Rossberg, Administrator, Policy Development Support Division 154, Texas Department of Human Services 222-E, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

The sections are proposed under the Human Resources Code, Title 2, Chapter 22, which provides the department with the authority to administer public assistance programs.

§69.301. Methods for Auditing Contracts.

(a) All services for which the department is charged are subject to review and audit. During a review or audit, the audited contractor must give the department or its authorized representative information about his claims for payment. The audited contractor is responsible for proving he is entitled to payments. If a review or audit reveals that improper payments were made or that the audited contractor's records do not support the payments according to federal, state, and local laws and rules, department procedures, and the contract provisions, the audited contractor must make restitution.

(b) Department procedures for contract reviews or audits may include the use of sampling and extrapolation. In this procedure, the department selects a representative sample of the cases or claims for which the audited contractor received payment for the time under review and examines records for those cases or claims. All improper payments or units of service in the sample are then tallied and extrapolated to all of the cases or claims for which the audited contractor has been paid during the audit period. After being notified and given the opportunity for a hearing according to the requirements in §79.1602 of this title (relating to Right to a Hearing), the audited contractor is required to pay the department 93% of the total extrapolated amount of the improper payments.

§69.302. Contract Compliance Audit Costs. Costs of compliance audits purchased by for profit contractors are not reimbursable and are not considered for cost report purposes.

§69.303. Recoupment of Improper Payments.

(a) The department recovers improper payments when it is verified that audited contractors have been overpaid be-

cause of improper billing or accounting practices or failure to comply with the contract terms. The determination of impropriety is based on federal, state, and local laws and rules; department procedures; contract provisions; or statistical data on program use compiled from paid claims.

(b) The audited contractor is notified in writing of the types of discrepancies, the method of computing the reasonable dollar amount to be refunded, and any other actions the department may take.

(c) The audited contractor may request that the department conduct an audit of 100% of the records or conduct an additional audit of the records by sampling. The audited contractor may also request a presentation of the audit results at an appeal hearing with the department. When an audited contractor requests additional audit work, he must agree to pay the cost of performing the work at current department costs. The department absorbs the cost for additional audit work if the work reduces the exception by more than 15%.

§69.304. Secondary Documentation. An audit is considered complete when the official audit report is received by the contractor. The department considers additional, or secondary, documentation presented during the audit.

§69.305. Prior Approval. Contractors are required to obtain DHS' approval before procuring an audit performed according to the Single Audit Act of 1984, if DHS is expected to participate in the cost of the audit.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805908
Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Proposed date of adoption: August 1, 1988.

For further information, please call: (512) 463-3765

Chapter 76. Auditing Auditing Procedures

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Human Services or in the Texas Register office, Room 503, Sam Houston Building, 201 East 14th Street, Austin.)

The Texas Department of Human Services (DHS) proposes the repeal of §§76.101, 76.201, and 76.202, concerning methods for auditing providers, provider's compliance audit costs, and recoupment of improper payments. These sections formerly comprised all of Chapter 76, Auditing. DHS is updating and moving the sections to Chapter 69, Contracted Services. The §§69.301-69.303, are proposed in this issue of the *Texas Register*.

Brian Packard, associate commissioner for budget, planning, and economic analysis, has determined that for the first five-year period the repeals will be in effect there will be no fiscal implications for state or local governments or small businesses as a result of enforcing or administering the repeals.

Mr. Packard has also determined that for each year of the first five years the repeals are in effect the public benefit anticipated as a result of enforcing the repeals will be the availability of the department's auditing procedures in one rule chapter. There is no anticipated economic cost to individuals who are required to comply with the proposed repeals.

Comments on the proposal may be submitted to Cathy Rossberg, Administrator, Policy Development Support Division-154, Texas Department of Human Services 222-E, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

• 40 TAC §76.101

The repeal is proposed under the Human Resources Code, Title 2, Chapters 22 and 32, which provides the department with the

authority to administer public and medical assistance programs.

§76.101. Methods for Auditing Providers.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805909
Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Proposed date of adoption: August 1, 1988.

For further information, please call: (512) 463-3765

Provider's Requirements

• 40 TAC §§76.201-76.202

(Editor's note: The text of the following sections proposed for repeal will not be published. The sections may be examined in the offices of the Texas Department of Human Resources or in the Texas Register office, Room 503, Sam Houston Building, 201 East 14th Street, Austin.)

The repeals are proposed under the Human Resources Code, Title 2, Chapter 22, which provides the department with the authority to administer public assistance programs.

§76.201. Providers' Compliance Audit Costs.

§76.202. Recoupment of Improper Payments.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

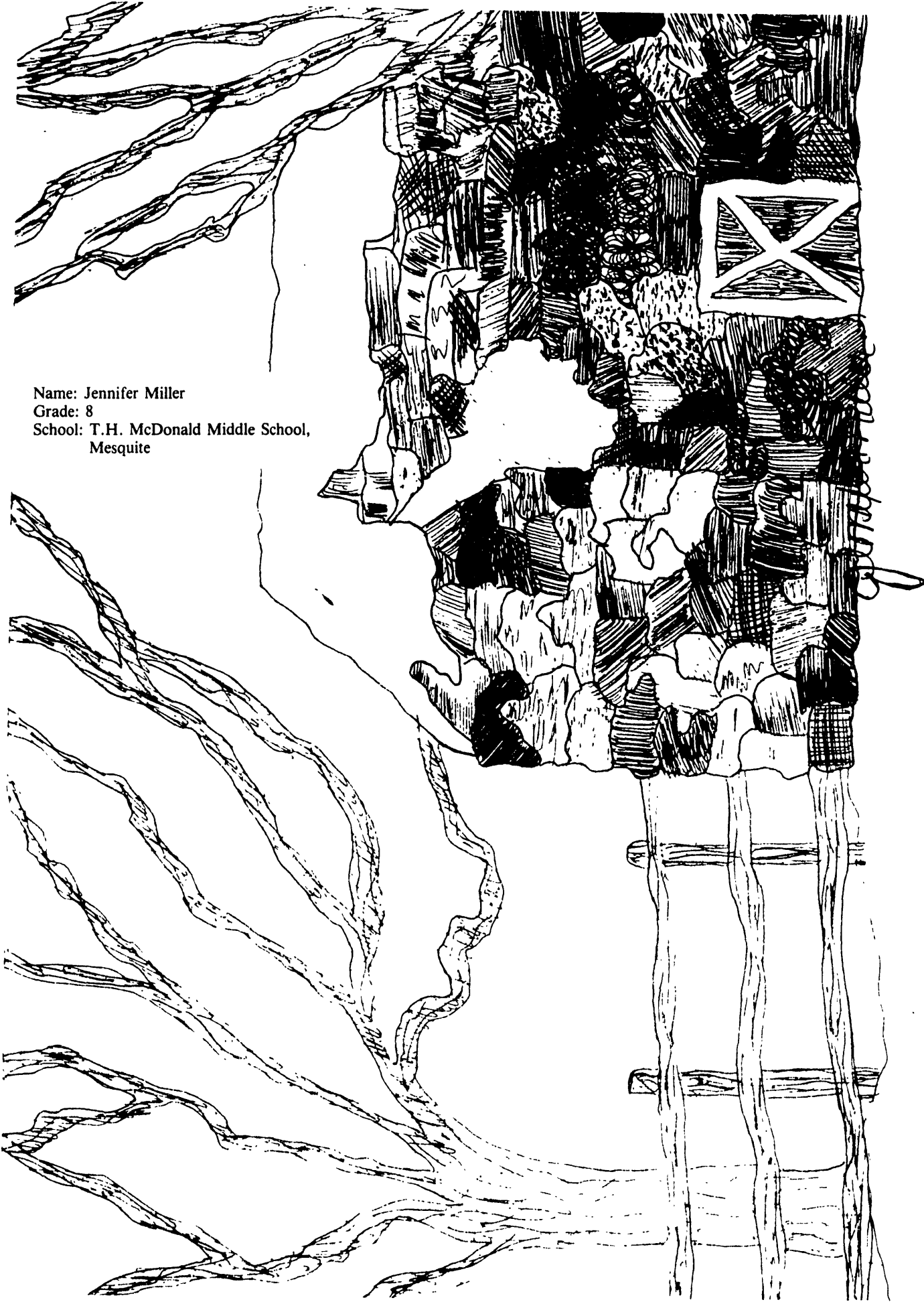
Issued in Austin, Texas, on June 8, 1988.

TRD-8805910
Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Proposed date of adoption: August 1, 1988.

For further information, please call: (512) 463-3765

Name: Jennifer Miller
Grade: 8
School: T.H. McDonald Middle School,
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Withdrawn Sections

An agency may withdraw proposed action or the remaining effectiveness of emergency action on a section by filing a notice of withdrawal with the *Texas Register*. The notice is effective immediately upon filing or 20 days after filing. If a proposal is not adopted or withdrawn within six months after the date of publication in the *Texas Register*, it will automatically be withdrawn by the office of the Texas Register and a notice of the withdrawal will appear in the *Texas Register*.

TITLE 25. HEALTH SERVICES

Part II. Texas Department of Mental Health and Mental Retardation

Chapter 405. Client (Patient) Care

Subchapter EE. Consent to Treatment with Psychoactive Medication-Mental Retardation Facilities

• 25 TAC §§405.781-405.790

Pursuant to Texas Civil Statutes, Article 6252-13, §5(b), and 1 TAC §91.24(b), the proposed amendment to §§405.781-405.790, submitted by the Texas Department of Mental Health and Mental Retardation has been automatically withdrawn, effective June 9, 1988. The amendment as proposed appeared in the December 8, 1987, issue of the *Texas Register* (12 TexReg 4583).

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

TRD-8805952

Filed: June 9, 1988



Name: Sheela George
Grade: 8
School: T.H. McDonald Middle School,
Mesquite





Name: Becky Taylor
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School: T.H. McDonald Middle School,
Mesquite

Adopted Sections

An agency may take final action on a section 30 days after a proposal has been published in the *Texas Register*. The section becomes effective 20 days after the agency files the correct document with the *Texas Register*, unless a later date is specified or unless a federal statute or regulation requires implementation of the action on shorter notice.

If an agency adopts the section without any changes to the proposed text, only the preamble of the notice and statement of legal authority will be published. If an agency adopts the section with changes to the proposed text, the proposal will be republished with the changes.

TITLE 16. ECONOMIC REGULATION

Part 1. Railroad Commission of Texas Chapter 13. Regulations for Compressed Natural Gas (CNG) Fuel Systems

Subchapter E. Classification, Registration, and Examination

• 16 TAC §13.84

The Railroad Commission of Texas adopts an amendment to §13.84, with changes to the proposed text as published in the March 4, 1988, issue of the *Texas Register* (13 TexReg 1128).

Proposed paragraph (4) of subsection (a) has been deleted and replaced with the language of subsection (2) of the existing rule. Since one of the proposed amendments is designated §13.84(a)(2), the re-adoption of the existing (a)(2) as (a)(4) will avoid deletion of the automobile liability insurance requirement altogether. Concurrently with this proposal for adoption, the LP-Gas Section is submitting for commission approval a proposed publication for comments in the *Texas Register* of the amendment to §13.84(a)(4) which will make the automobile insurance requirements for CNG licensees the same as those for certificated motor carriers licensed by the transportation division and the same as concurrently proposed rule changes affecting automobile liability insurance of LP-Gas licensees.

The other amendments to the section proposed for adoption herein are justified as a necessary means of lowering existing liability insurance coverage requirements for compressed natural gas licensees to a level consistent with that of comparable categories of LP-gas licensees.

The proposed amendments would reduce the amount of general liability insurance coverage a compressed natural gas licensee would be required to carry. Current coverage requirements are \$500,000 bodily injury coverage, plus \$300,000 property damage coverage per occurrence with a \$500,000 aggregate for property damage, or \$800,000 combined single limits general liability for all categories of CNG licensees. The proposed amendment would require only the same level of coverage as is currently required for comparable categories of LP-gas licenses, or \$300,000 per occurrence, \$300,000 policy aggregate for CNG license categories, one, three, and four. The amount of general liability insurance coverage proposed for CNG licensee category two is \$25,000 per occurrence, \$50,000 aggregate.

No comments were received regarding adoption of the amendment.

The amendment is adopted under §116.012 Texas Natural Resources Code, which authorizes the Railroad Commission of Texas to promulgate rules and standards relating to the compressed natural gas industry and its operations which promote or tend to promote the health, safety, and welfare of the general public.

§13.84. Insurance Requirements.

(a) Pursuant to the Texas Natural Resources Code, Chapter 116, the Railroad Commission of Texas has adopted the following insurance requirements for those persons or businesses licensed by the CNG Section to do business in Texas. A valid certificate of insurance shall be filed with the CNG Section before the section grants or renews a license.

(1) Each member of each category shall have workers' compensation coverage, including employer's liability coverage as required by law.

(2) In addition to workers' compensation, each member of categories one, three, and four shall have the following coverage: general liability insurance, specifically including premises and operations coverage, with the following minimum amounts: \$300,000 per occurrence, with a \$300,000 policy aggregate; including completed operations and products liability coverage, \$300,000 aggregate.

(3) In addition to workers' compensation, each member of category two shall have the following coverage: general liability, including premises and operations coverage, in limits, not less than \$25,000 per occurrence, \$50,000 aggregate.

(4) All licensees or ultimate consumers who have purchased, leased, or obtained other rights in any vessel defined as a CNG transport by this chapter shall have automobile bodily injury and property damage liability coverage with the following minimum amounts of coverage: \$250,000 bodily injury per person with \$750,000 bodily injury per occurrence, plus \$150,000 property damage per occurrence, or \$900,000 combined single limits coverage.

(b)-(e) (No change.)

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 6, 1988.

TRD-8805875

James E. (Jim) Nugent
Chairman
Railroad Commission of
Texas

Effective date: June 28, 1988

Proposal publication date: March 4, 1988

For further information, please call: (512) 463-6921

TITLE 25. HEALTH SERVICES

Part II. Texas Department of Mental Health and Mental Retardation

Chapter 403. Other Agencies and the Public

Subchapter C. Determination of Rates for Support, Maintenance, and Treatment of Clients

• 25 TAC §403.76

The Texas Department of Mental Health and Mental Retardation adopts the repeal of §403.76, without changes to the proposed text as published in the December 8, 1987, issue of the *Texas Register* (12 TexReg 4577). The repeal is adopted contemporaneously with the adoption of new §403.76, concerning administrative hearing to contest charges for support, maintenance, and treatment before filing notice of lien, and new §403.77, concerning exhibits.

No comments were received regarding adoption of the repeal.

The repeal is adopted under Texas Civil Statutes, Article 5547-202, §2.11, which provide the Texas Board of Mental Health and Mental Retardation with rulemaking powers.

§403.76. Exhibits.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805938

Pattilou Dawkins
Chairman
Texas Department of
Mental Health and
Mental Retardation

Effective date: June 28, 1988.

Proposal publication date: December 8, 1988.

TITLE 28. INSURANCE

Part I. State Board of Insurance

Chapter 19. Agent's Licensing

Subchapter K. Continuing Education Requirements

• 28 TAC §§19.1001-19.1011

The State Board of Insurance adopts new §§19.1001-19.1011. Sections 19.1002-19.1006, 19.1008, 19.1010, and 19.1011 are adopted with changes to the proposed text published in the April 29, 1988, issue of the *Texas Register* (13 TexReg 2071). Sections 19.1001, 19.1007, and 19.1009 are adopted without changes and will not be republished.

The new sections concern continuing education requirements for agents licensed under the provisions of the Insurance Code, Article 21.07-1 and Article 21.14. These new sections are necessary to comply with recent amendments to Article 21.07-1 and Article 21.14. The recent statutory amendments direct the State Board of Insurance to certify continuing education programs for agents and mandate agents' participation in the programs. This adoption includes many changes to the proposed text. In §19.1002, the adoption includes correction of a spelling error in the definition of council and clarification of the definition of provider. In §19.1003(c)(2)(A) and (B), the adoption includes corrections from the year 1985 to 1986 in determining liability for continuing education on the basis of the date of issuance of a license. In §19.1003(c)(4), the adoption includes more specific continuing education requirements for solicitors for local recording agents. In §19.1004(a), the adoption includes additional language to make clear that continuing education requirements apply to the effective period of each license and of each renewed license. In §19.1005, this adoption includes a clarifying modification of the first sentence of the section. In §19.1006(a), the adoption includes elimination of a duplicative reference to a form number. In §19.1006(g), the adoption includes a recognition that 100% of the class hour credit toward the continuing education requirement is an appropriate reflection of the effort and knowledge necessary for teaching an approved course. In §19.1008(b), the adoption includes a statement that the board is requiring that completion certificates accompany submission of any continuing education summary report. In §19.1010, the adoption includes elimination of a subsection providing for distribution of unrequested material which could distract attention from requested information concerning requirements which licensees must satisfy. In §19.1011, the adoption includes an additional sentence indicating that development of additional forms may be necessary for the administration of this subchapter.

New §19.1001 summarizes the purpose and scope of these new sections for establishing continuing education requirements for certain agents under the Insurance Code. Section 19.1002 defines words and terms used in

these new sections. New §19.1003 provides a schedule for implementation of continuing education requirements and sets forth certain exemptions from applicability. Section 19.1004 provides the details of the educational requirements. New §19.1005 determines the consequences of failing to comply with education requirements. Section 19.1006 establishes a procedure for designating courses as approved for the purpose of meeting the continuing education requirements. New §19.1007 and new §19.1008 set forth record keeping responsibilities in connection with this subchapter and provide for verification of the records by the board. Section 19.1009 states the duties of the advisory council to be appointed by the board to furnish information and assistance in the conduct of continuing education programs. New §19.1010 directs that certain information be distributed upon request. New §19.1011 approves and adopts by reference various forms for required use with the administration of this subchapter.

Massachusetts Indemnity and Life Insurance Company made comments generally for the proposed sections; however, they did suggest some modification of the sections as proposed. The commenter suggested modification of §19.1005 to allow an additional period of 30 days for a licensee to comply with continuing education requirements before the board would refuse to renew any license. The board is retaining the provisions that no extensions of time will be granted, because licensees already have two years in which to satisfy continuing education requirements after issuance or renewal of a license and before any subsequent renewal. Section 19.1008(d) allows 30 days for correction of any erroneous records. The commenter also suggested that a licensee whose license renewal is refused should be able to file another application within 60 days. The board is retaining a waiting period of one year as support for compliance with continuing education requirements.

The new sections are adopted under the Insurance Code, Article 21.07-1, §3A, and Article 21.14, §5b, which directs the State Board of Insurance to adopt procedures for certifying continuing education programs for agents and to certify such programs.

§19.1002. Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

Advisory council—The Continuing Education Advisory Council as described in §19.1009 of this title (relating to Texas Continuing Education Advisory Council).

Approved course of study—A course which has been deemed to meet the requirements in §19.1006 of this title (relating to Approved Courses of Study).

Board—The State Board of Insurance.

Class hours—Contact hours of formal class instruction or the equivalent as may be defined and adopted by the advisory coun-

cil.

Council—The advisory council.

Educational coordinator—The person in the Agent's License Division of the State Board of Insurance who is designated to work with the advisory council in administering the continuing education program, and who may be addressed as follows: Educational Coordinator, Agent's License Division, State Board of Insurance, 1110 San Jacinto Boulevard, Austin, Texas 78701-1998.

Licensee—Any holder of a license under the authority of the Insurance Code, Article 21.07-1 or Article 21.14

Provider—A statewide agents' association or a professional association, or a local chapter of a statewide agents' association or professional association; an accredited college or university; a proprietary school as defined in the Texas Proprietary School Act (the Education Code, Chapter 32); or an educational publisher; or an insurance company authorized to do business in the state of Texas; or a Texas public school system.

Staff—Persons employed in the Agent's License Division of the State Board of Insurance.

§19.1003. Applicability of Requirement.

(a) The continuing education requirement shall apply to all individual licensees from January 1, 1988, unless a licensee is directly exempted by statute or in this subchapter, and makes proper application for such exemption. Instructions for applying for an exemption may be obtained from the educational coordinator.

(b) The continuing education requirement shall not apply to:

(1) persons who maintain a license solely for the purpose of receiving residual or renewal commissions. Such persons must certify as a condition of renewal of the license that they have performed none of the acts of an insurance agent as defined in the statute governing such license, and that the sole reason for maintenance of the license is to receive residuals or renewals;

(2) licensed or unlicensed persons who share in the profits of a local recording agent under the provisions of the Insurance Code, Article 21.14, §3a;

(3) those persons holding a license under the authority of the Insurance Code, Article 21.07-1, §4A; or

(4) nonresident licensees who are subject to continuing education requirements in their home state, provided the residence state recognizes reciprocity with Texas continuing education requirements.

(c) These requirements shall apply from January 1, 1988; except that a licensee's initial liability for continuing education shall be determined as follows.

(1) A licensee whose license had an effective issue date or renewal date within 90 days prior to January 1, 1988, shall be liable for the entire requirement.

(2) Liability for continuing education of all other licensees may be determined by consulting the following subparagraphs of this paragraph.

(A) If the date the license was first issued or was last renewed is from January 1, 1986, to March 31, 1986, the number of hours of continuing education required before the next renewal is zero.

(B) If the date the license was first issued or was last renewed is from April 1, 1986, to June 30, 1986, the number of hours of continuing education required before the next renewal is zero.

(C) If the date the license was first issued or was last renewed is from July 1, 1986, to September 30, 1986, the number of hours of continuing education required before the next renewal is five hours.

(D) If the date the license was first issued or was last renewed is from October 1, 1986, to December 31, 1986, the number of hours of continuing education required before the next renewal is 10 hours.

(E) If the date the license was first issued or was last renewed is from January 1, 1987, to March 31, 1987, the number of hours of continuing education required before the next renewal is 15 hours.

(F) If the date the license was first issued or was last renewed is from April 1, 1987, to June 30, 1987, the number of hours of continuing education required before the next renewal is 20 hours.

(G) If the date the license was first issued or was last renewed is from July 1, 1987, to September 30, 1987, the number of hours of continuing education required before the next renewal is 25 hours.

(H) If the date the license was first issued or was last renewed is from October 1, 1987, to December 31, 1987, the number of hours of continuing education required before the next renewal is 30 hours.

(3) All licenses issued or re-

newed after January 1, 1988, carry a continuing education requirement of 30 hours per renewal period unless otherwise exempted.

(4) Solicitors for local recording agents must determine their requirement from the following subparagraphs of this paragraph.

(A) If there are from zero-six months between the issue date of the solicitor's license and the renewal date of the local recording agent's license, the solicitor's initial liability for continuing education shall be zero hours.

(B) If there are from seven-12 months between the issue date of the solicitor's license and the renewal date of the local recording agent's license, the solicitor must earn 10 continuing education hours.

(C) If there are from 13-18 months between the issue date of the solicitor's license and the renewal date of the local recording agent's license, the solicitor must earn 20 continuing education hours.

(D) If there are from 19-24 months between the issue date of the solicitor's license and the renewal date of the local recording agent's license, the solicitor must earn 30 continuing education hours.
§19.1004. Continuing Education Requirements.

(a) The licensee must successfully complete not less than 30 class hours in each 24-month period beginning on the issue date of the license and ending on the expiration date of the license or of the renewed license except as follows.

(1) A licensee under the Insurance Code, Article 21.07-1, in the licensee's first year of licensure shall provide certification upon the first renewal of that license to the board of successful completion of at least 15 class hours done within the first year following the issuance of the license and 15 additional class hours.

(2) A Texas local recording agent who does not hold a license under the Insurance Code, Article 21.07-1, must provide certification to the board that 15 class hours have been successfully completed during the year immediately prior to the first renewal of that license. After the first renewal, the local recording agent is subject to the full requirement as described in this subchapter.

(b) If licenses are held both under the Insurance Code, Article 21.07-1, and under the Insurance Code, Article 21.14, only 30 class hours must be completed in each 24-month period, and these may be taken entirely from the list of courses approved for either license or may be divided

between the lists in any way. The intent of this chapter that will be enforced is that each licensee receive at least 30 hours of continuing education in each 24-month period.

§19.1005. Failure to Comply. Failure of a licensee to provide satisfactory evidence of successful completion of the required number of hours of continuing education at the time of license renewal, in the absence of a valid exemption under the Insurance Code, Article 21.07-1, §3A, and Article 21.14, §5b, is a ground for refusing renewal of the license in accordance with the provisions of the Insurance Code, Article 21.07-1, §12, or Article 21.14, §16. No extensions of time will be granted. A licensee whose license renewal is refused shall not be entitled to file another application of the same type within one year from the effective date of the refusal.

§19.1006. Approved Courses of Study.

(a) An approved course of study is one that has been submitted to the board for approval on SBI Form LDCE-002, has been reviewed and approved by staff, and has been placed on the list of approved courses, except that the council shall determine the hours of credit to be given for the several national examination certification programs. These programs include, but are not limited to, CIC, CLU, CPCU, and LUTC, and no further action on the part of staff or provider shall be required for approval of these courses. Further, any insurance course that is part of the degree curriculum of an accredited college or university shall be awarded 15 hours of continuing education credit for each semester hour earned.

(b) The list of approved courses shall clearly designate whether the courses required class attendance or not, and each license to which the course hours may be applied. The list shall be available to all interested parties on request made to the educational coordinator.

(c) To be considered for approval, the course of study must meet the following requirements.

(1) The content of the course must be intended to increase the licensee's knowledge and understanding of insurance principles and coverages; applicable laws; rules and regulations promulgated by the board; recent and prospective changes in coverages, law, regulation, and practice; management of the licensee's insurance business; or duties and responsibilities of the agent.

(2) Successful completion of the course by a licensee must be verifiable to the satisfaction of staff.

(d) The number of class hours for a course of study shall be assigned by staff in accordance with guidelines laid down by the advisory council, and any decision as to the number of hours assigned to a particular course by staff may be appealed to the advisory council by the provider of the

course by making written application to the Chairman, Continuing Education Advisory Council, in care of State Board of Insurance, Agent's License Division, 1110 San Jacinto Boulevard, Austin, Texas 78701-1998.

(e) In order for a course to remain on the list of approved courses, the provider must agree:

(1) to maintain records of attendance and enrollment for a minimum of four years and to make these records available to the board at the time and place of the board's choosing; and

(2) to update course material as required by changes in statute, rule, or practice.

(f) A particular course may not be used by a licensee for continuing education credit more than once in any reporting period.

(g) A licensee who teaches an approved course may receive 100% of the class hour credit toward meeting the continuing education requirement, but this credit may not be used more often than once in any one reporting period.

(h) The following types of courses shall not be considered for approval:

(1) a course that is used, or a course based on a text that is used, for pre-license training or qualifying examination preparation;

(2) any course or text used or approved for the local recording agents educational requirement under the Insurance Code, Article 21.14, §5a;

(3) courses teaching general accounting or other general business skills, speed reading, or computer use;

(4) courses in motivation, goal-setting, time management, or communication;

(5) meetings held in conjunction with the regular business of the licensee; or

(6) training relating to the marketing practices of a specific company.
§19.1008. Records and Audit.

(a) The provider shall furnish to each licensee who successfully completes an approved course a certificate of completion, SBI Form LDCE-001, and shall make available a blank SBI Form LDCE-003, Licensee's Continuing Education Summary Report. The certificate of completion shall include the following information: the licensee's full name, address, State Board of Insurance file number and license type, the course provider's name and the State Board of Insurance course number, the date of successful completion, the number of course hours credit being requested, and the signature of an approval official of the provider.

(b) The licensee shall furnish to the

board as part of the license renewal, SBI Form LDCE-003, Licensee's Continuing Education Summary Report, with copies of the supporting completion certificates attached.

(c) All continuing education reports and records submitted or maintained for the purpose of licensure or continued course approval are subject to audit or review by the board.

(d) If such records are audited or reviewed and are suspected of being falsified, incomplete, or in any way questionable, the licensee or provider shall have 30 days in which to correct the discrepancies or submit new documentation.

(e) If compliance has not been made within the 30-day period, the license may be revoked or not renewed, and if the license is revoked or not renewed, the licensee shall not be entitled to file another application for a license of the same type within one year from the effective date of the revocation or non-renewal.

(f) In the case of a provider, if the required corrections have not been taken by the end of the 30-day period, approval may be withdrawn for any courses administered by the provider and that provider may be prevented from resubmitting or submitting any courses for approval for a period of 180 days.
§19.1010. Distribution of Rules and Attachments.

(a) A copy of this subchapter as promulgated by the State Board of Insurance shall be given to any interested person upon request made to the educational coordinator.

(b) A copy of the Insurance Code, Article 21.07-1, §3A, and Article 21.14, §5b, shall be distributed with every copy of this subchapter.

§19.1011. Forms Adopted by Reference. The State Board of Insurance adopts by reference certain forms to be used in conjunction with the administration of this subchapter. These forms are published by the State Board of Insurance and copies of the forms may be obtained from the Educational Coordinator, Agent's License Division, State Board of Insurance, 1110 San Jacinto Boulevard, Austin, Texas 78701-1998. The staff of the board is directed to develop such other forms as it may find necessary for its administration of this subchapter. Licensees and providers shall use such forms as are required by the provisions of this subchapter. The forms adopted by reference are specifically identified as follows:

(1) SBI Form LDCE-001, Continuing Education Certificate of Completion;

(2) SBI Form LDCE-002, Request for Approval of Continuing Education Course; and

(3) SBI Form LDCE-003, Licensee's Continuing Education Summary Report.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805892

Nicholas Murphy
Chief Clerk
State Board of Insurance

Effective date: June 28, 1988

Proposal publication date: April 29, 1988

For further information, please call: (512) 463-6327

TITLE 34. PUBLIC FINANCE

Part I. Comptroller of Public Accounts

Chapter 3. Tax Administration

Subchapter Q. Franchise Tax

• 34 TAC §3.391

The Comptroller of Public Accounts adopts new §3.391, with changes to the proposed text as published in the April 1, 1988, issue of the *Texas Register* (13 TexReg 1525) to replace the current §3.391 which is being repealed.

The new section was needed due to major changes to franchise tax enacted by the Texas legislature during the 1987 regular session. With certain specified exceptions, all corporations must report their franchise tax using generally accepted accounting principles unless the corporation's surplus is less than \$1 million as determined by the method used to compute its federal income tax, in which case the corporation may report its franchise tax using generally accepted accounting principles or the method used to compute its federal income tax. This new section clarifies which accounting methods should be used to determine the amount of franchise tax due. The changes consist of parenthetically adding the sentence "These earnings may reduce the parent corporation's surplus, but not its stated capital" to paragraph (6) of subsection (b), and deleting the phrase "by the purchaser" in paragraph (3) of subsection (c). These changes were made for clarification purposes.

No comments were received regarding adoption of the new section.

The new section is adopted under the Tax Code, §111.002, which provides that the comptroller may prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of the Tax Code, Title 2.

§3.391. Accounting Methods.

(a) Effective date. The provisions of this section apply to franchise tax reports originally due on or after January 1, 1988.

(b) General Rules. The provisions

of this subsection apply to both the generally accepted accounting principles (GAAP) and federal income Tax methods.

(1) A corporation is required to use the same accounting method in computing gross receipts as it uses in computing surplus.

(2) Regardless of any requirements or allowances under GAAP or the Internal Revenue Code, the calculation of franchise Tax shall be performed in accordance with all applicable provisions of the Tax Code, Chapter 171, and related sections of this title.

(3) The financial condition as of the date required by the Tax Code, §171.153, must reflect the use of GAAP or other methods required by the Tax Code, Chapter 171, for all transactions through such date.

(4) The filing of a report using either the GAAP method or the federal income Tax method shall constitute an irrevocable election of such method for the reporting period.

(5) A change will be recognized prospectively only, unless it corrects an accounting error. An accounting error results from a mathematical mistake, a mistake in the application of accounting principles, or an oversight or unintentional misuse of facts that existed on the date upon which the Tax is based. Subsequent events (i.e., events or transactions occurring after the date upon which the report is based) will not be considered, even if the subsequent event provides additional evidence with respect to conditions that existed on the date upon which the Tax is based.

(6) The cost method of accounting must be used for investments in other corporations. Cost must be the original valuation of the investment under GAAP, without reduction for amortization of goodwill or any other write-downs. The investor's share of the pre-acquisition earnings of an investee are excluded from the investment cost. (These earnings may reduce the parent company's surplus, but not its stated capital.) The cost of an investee may be reduced by legally declared dividends of the investee to the extent that such dividends exceed the investee's pre-acquisition and post-acquisition earnings as determined under GAAP.

(7) Transfers of assets must be reported at the transferor's basis, as determined under the reporting method used for franchise Tax, if allowed by GAAP. The transferor's basis may not, however, be reduced by unrealized, estimated, or contingent losses for the purposes of this subsection.

(c) Generally accepted accounting principles method.

(1) For purposes of this title, unless the context clearly requires otherwise,

GAAP means those broad principles of accounting formally accepted by the American Institute of Certified Public Accountants (AICPA) or its designees through publication of a statement, interpretation, opinion, or research bulletin. If no such pronouncement has been published and is effective, such formal acceptance may be in the form of a written interpretation of a committee of the AICPA or its designee. In cases where no such interpretation has been published and is effective, formal acceptance may be through accepted industry accounting practices, publication of the Securities and Exchange Commission, publications of regulatory agencies, or any other means which may be shown by the Taxpayer to indicate formal acceptance.

(2) A corporation may report its franchise Tax using any allowable method without regard to accounting methods used for the general ledger, financial statements, or any other financial reports. However, factual assertions made for published financial statements will be presumed to be accurate unless the corporation or the comptroller can show the assertions are incorrect.

(3) If the majority of the voting stock or a corporation is acquired through a purchase, as described under GAAP, the assets and liabilities of the acquired corporation must be revalued based on the purchase price using GAAP (i. e., push-down accounting must be used).

(d) Federal income Tax method.

(1) If a corporation is found to be ineligible to use the federal income Tax method (e.g., as a result of an audit by the comptroller or the Internal Revenue Service), the corporation will be required to report its franchise Tax using the GAAP method.

(2) In determining if surplus is less than \$1 million for purposes of the Tax Code, §171.109(c) and §171.112(c), a corporation must apply the methods used in the last federal income Tax return originally due before the franchise Tax report is originally due, unless another method is required under a specific provision of this title or the Tax Code, Chapter 171.

(3) Income exempt for federal income Tax purposes must be included in surplus and receipts based on the same method used for similar items on the federal income Tax return. Expenses which are non-deductible for federal income Tax purposes may be excluded from surplus, if they are allowable for franchise Tax purposes, based on the same method used for similar items on the federal income Tax return.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805878

Bob Bullock
Comptroller of Public
Accounts

Effective date: June 28, 1988

Proposal publication date: April 1, 1988

For further information, please call: (512) 463-4004

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• 34 TAC §3.403

The Comptroller of Public Accounts adopts new §3.403, without changes to the proposed text as published in the April 1, 1988, issue of the *Texas Register* (13 TexReg 1525). The new section concerning gross receipts, replaces existing §3.403 that is being repealed.

The new section more clearly and extensively delineates policy in regard to the types of transactions that result in gross receipts and in Texas receipts. The new section incorporates major changes to franchise tax enacted by the 70th Legislature, 1987. The new section refers to §3.391, concerning accounting methods corporations are required to use for franchise tax purposes.

The following comments were received against the rule adoption from Robert S. Drake of Scofield, Drake and Company. Mr. Drake found the rule confusing and incomplete, especially the definition of revenues. The comptroller's response was that it would be virtually impossible to address all receipts situations in a rule, and the statute uses the term "revenue" when defining gross receipts. Mr. Drake also recommended that legal domicile be defined and used consistently throughout the rule. The comptroller's response was that it would be difficult to adequately define legal domicile for all types of entities. Finally, Mr. Drake recommended specifically identifying all policy changes incorporated in the new rule. The comptroller's response was that this would be like comparing apples to oranges because the new rule is based on a major statutory change.

The new section is adopted under the Tax Code, §111.002, which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of the Tax Code, Title 2.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988

TRD-8805879

Bob Bullock
Comptroller of Public
Accounts

Effective date: June 28, 1988

Proposal publication date: April 1, 1988

For further information, please call: (512) 463-4004

◆ ◆ ◆
• 34 TAC §3.404

The Comptroller of Public Accounts adopts and amendment to §3.404, without changes to the proposed text published in the April 1,

19, issue of the *Texas Register* (13 TexReg 1528). The amendment changes the definition of stated capital to reflect changes made to the Texas Business Corporation Act in House Bill 418, 70th Legislature, 1987. The amendment also clarifies our policy concerning treasury stock and redeemable preferred stock.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Tax Code, §111.002, which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of the franchise tax.

§3.404. Stated Capital.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988

TRD-8805880

Bob Bullock
Comptroller of Public
Accounts

Effective date: June 28, 1988

Proposal publication date: April 1, 1988

For further information, please call: (512) 463-4004

• 34 TAC §3.405

The Comptroller of Public Accounts adopts new §3.405, with changes to the proposed text published in the April 1, 1988, issue of the *Texas Register* (13 TexReg 1529). The new section replaces former §3.405 concerning surplus and undivided profits.

The new section is needed due to major changes to franchise tax enacted by the 70th Legislature, 1987. With certain specified exceptions, all corporations must report their franchise tax using generally accepted accounting principles unless the corporation's surplus is less than \$1 million as determined by the method used to compute its federal income tax, in which case the corporation may report its franchise tax using generally accepted accounting principles or the method used to compute its federal income tax. The new section clarifies the reporting of a corporation's surplus for franchise tax purposes.

The changes consist of deleting the phrase "only to the extent that credit balances in unrestricted equity accounts exceed accrued cumulative preferential dividends," in paragraph (8) of subsection (e) and revising the wording in paragraph (1)(C) of subsection (d) to allow oil and gas companies with surplus of less than \$1 million to report their oil and gas exploration and production activities using the same method selected to compute their federal income tax. These changes clarify the comptroller's policies.

The following comments were received against the rule adoption. Robert Pace and Donald Hupp of North Texas Oil and Gas Association argued that Senate Bill 1170 is clear in its language that a corporation whose surplus is less than \$1 million, as determined by the method used to compute its federal income tax, may report its surplus according

to the method used for that return and that there is no basis for the interpretation that full cost or successful efforts methods must be used even if the surplus is less than \$1 million. The comptroller's response was to change the provision relating to oil and gas corporations to allow such reporting method.

Michael L. Styles of Sproles Woodard felt there would be a significant burden to oil and gas companies with the new rule. The comptroller's response was that the statute creates the burden and that the comptroller must enforce the statute. As previously addressed, oil and gas companies with less than \$1 million surplus may use the method used on the federal income tax return to report surplus.

M. W. Thacker of Dresser Industries felt investments in partnerships should be reported on the same basis as recorded on the corporation's books. The comptroller's response was that the new statute requires a corporation to use generally accepted accounting principles. Mr. Thacker also felt the provision concerning treasury stock was unclear. The comptroller's response was to delete the unclear provision.

The new section is adopted under the Tax Code, §111.002, which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the provisions of the Tax Code, Title 2.

§3.405. Surplus.

(a) Effective date. The provisions of this section apply to franchise tax reports originally due on or after January 1, 1988.

(b) Date upon which based. A corporation filing an annual report must report surplus based on its last accounting period ending date in the previous calendar year, or, if there is no accounting period ending in the previous calendar year, then as of December 31 of the previous calendar year. See §3.412 of this title (relating to Survivors of Mergers) for information about corporations surviving mergers.

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

(1) Unrealized, estimated, or contingent loss or obligation—An appropriation of retained earnings for any purpose or an account established to record a loss or obligation reasonably anticipated to occur and the amount of which is subject to reasonable estimation as of the date on which the tax is based (e.g., self-insurance, warranty, litigation).

(2) Write-down of assets—Any reduction or offset of the cost of an asset through use of a valuation, allowance, reserve or contra-asset account, or through direct write-off of the asset (except a write-off to reflect the asset's permanent decline in value).

(3) Depletion—The accounting process of allocating the cost of natural resources to expense in a systematic and rational manner over the period during

which the natural resources are consumed.

(4) Depreciation—The accounting process of allocating the cost of tangible assets to expense in a systematic and rational manner over the period expected to benefit from the use of the assets.

(5) Amortization—The accounting process of allocating the cost of assets (other than goodwill) to expense in a systematic and rational manner over the period expected to benefit from the use of the assets.

(6) Tax effect—Any change in cumulative federal income tax liability which results from the different accounting treatment of a transaction for financial accounting purposes than that accorded for federal income tax purposes.

(7) Investee—An enterprise which issues voting stock held by an investor.

(d) General rules of application.

(1) Accounting methods.

(A) Installment sales. In reporting sales made on an installment basis, the installment sales method of accounting is acceptable for franchise tax purposes only when GAAP (as defined in §3.391 of this title (relating to Accounting Methods)) allows its use.

(B) Partnerships/joint ventures. In reporting an investment in a partnership or joint venture, the equity method of accounting must be used.

(C) Oil and gas corporation. Corporations with a surplus of \$1 million or more must report all oil and gas exploration and production activities according to the successful efforts or the full cost methods of accounting. Corporations with less than \$1 million in surplus, as determined in accordance with the Tax Code, §171.109(c), may report their oil and gas exploration and production activities using the same method selected to compute their federal income tax.

(D) Other. For more information on methods of accounting for franchise tax purposes, see §3.391 of this title (relating to Accounting Methods).

(2) Tax effect. The amount of any surplus adjustment must be reported net of any accompanying tax effect.

(3) Intercompany tax accounts. A liability account for income taxes owed by one member of a consolidated group to a second member of the group is excluded from the surplus of the first member only if the related receivable account is included in the surplus of the second member. Intercompany tax accounts must be reported on a consistent basis among members of the

same consolidated group.

(4) S corporations. An S corporation must calculate its franchise tax in the same manner as any other corporation. For example, accumulated and other adjustment accounts, are included in surplus, as are previously taxed income, accumulated earnings and profits, and all other amounts included in the surplus of any other corporation.

(e) Specific rules. Specific rules of application include, but are not limited to, the following.

(1) Amortization of goodwill. The amortization of goodwill resulting from acquisition of an ownership interest in a subsidiary or other investee corporation is included in surplus.

(2) Deferred investment tax credit. Deferred investment tax credit is included in surplus.

(3) Foreign currency transaction. Realized gains, unrealized gains and unrealized losses resulting from foreign currency transactions are included in surplus, while realized losses are excluded from surplus.

(4) Foreign currency translations. Unrealized gains resulting from translations of foreign currency are excluded from surplus.

(5) Income taxes payable. Amounts accrued in excess of actual liability for income taxes relating to current or prior periods (e.g., amounts accrued which relate to a period under IRS audit which has not been agreed to by the corporation) are included in surplus.

(6) Employee benefits. Liabilities for employee compensation and benefits (e.g., pensions, bonuses, vacations) are included in surplus to the extent that they are not debt.

(7) Public utility corporations. Revenue from temporary or bonded rate increases of a public utility company is included in surplus.

(8) Treasury stock. The amount paid for treasury shares is excluded from surplus. See also §3.304 of this title (relating to Stated Capital).

(9) Write-off of assets. A direct write-off of all or a portion of the cost of an asset to reflect a permanent decline in the asset's value, the direct cause of which is a specifically identifiable event, is excluded from surplus.

(10) Redeemable preferred stock. Redeemable preferred stock is not included in surplus if it is debt.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805881

Bob Bullock
Comptroller of Public
Accounts

Effective date: June 28, 1988

Proposal publication date: April 1, 1988

For further information, please call: (512) 463-4004

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• 34 TAC §3.413

The Comptroller of Public Accounts adopts an amendment to §3.413, without changes to the proposed text published in the April 1, 1988, issue of the *Texas Register* (13 TexReg 1530).

The amendment clarifies a policy change that initial reports no longer need to be preprinted. It also clarifies policy concerning jeopardy determinations, which are the result of legislation by the 70th Legislature, 1987. The amendment also states that the annual tax rate of \$6.70 and minimum tax of \$150 applies to tax periods from May 1, 1988, through April 30, 1990.

No comments were received regarding adoption of the amendment.

The amendment is adopted under the Tax Code, §111.002, which provides the comptroller with the authority to prescribe, adopt, and enforce rules relating to the administration and enforcement of the franchise tax.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805882

Bob Bullock
Comptroller of Public
Accounts

Effective date: June 28, 1988

Proposal publication date: April 1, 1988

For further information, please call: (512) 463-4004

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**TITLE 40. SOCIAL
SERVICES AND
ASSISTANCE**

**Part I. Texas Department
of Human Services**

**Chapter 5. Medicaid Programs
for Aliens**

The Texas Department of Human Services (DHS) adopts new §§5.1002, 5.1004, 5.2002, and 5.2004, without changes to the proposed text as published in the April 26, 1988, issue of the *Texas Register* (13 TexReg 2024).

The sections provide medical coverage for aliens. For aliens lawfully admitted for temporary residence, Subchapter A provides coverage for emergency medical conditions, for pregnant women, and for children. For aliens illegally residing in the United States, Subchapter B provides Medicaid coverage for

emergencies, including labor and delivery. Medicaid coverage for aliens is the result of the Omnibus Budget Reconciliation Act of 1986 and the Immigration Reform and Control Act of 1986.

The sections will function by making Medicaid benefits available to needy aliens requiring emergency medical services. Hospitals also will be eligible to be reimbursed for their services.

No comments were received regarding adoption of the new sections.

**Subchapter A. Medicaid
Benefits for Temporarily
Legalized Aliens**

• 40 TAC §5.1002, §5.1004

The new sections are adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which provide the department with the authority to administer public and medical assistance programs.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805870

Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Effective date: June 27, 1988

Proposal publication date: April 26, 1988

For further information, please call: (512) 463-3765

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**Subchapter B. Medicaid
Benefits for Aliens Not
Legally Residing in the
United States**

• 40 TAC §5.2002, §5.2004

The new sections are adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which provide the department with the authority to administer public and medical assistance programs.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805871

Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Effective date: June 27, 1988

Proposal publication date: April 26, 1988

For further information, please call: (512) 463-3765

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**Chapter 48. Community Care
for Aged and Disabled**

The Texas Department of Human Services (DHS) adopts amendments to §§48.1201, 48.2906, and 48.2907, concerning definitions of program terms, age, and need, respectively, in its Community Care for Aged and Dis-

abled chapter. The amendment to §48.2906 is adopted with changes to the proposed text published in the April 8, 1988, issue of the *Texas Register* (13 TexReg 1663). The amendments to §48.1201 and §48.2907 are adopted without changes to the proposed text and will not be republished.

The amendments are justified to ensure more equitable treatment for emancipated minors, which is consistent with the fact that in many areas emancipated minors have the same rights and responsibilities as adults.

The amendments will function by allowing emancipated minors to receive CCAD services without regard to age, thereby preventing gaps in service.

Although no comments were received regarding adoption of the amendments, the department decided not to adopt proposed language in §48.2906(b)(3) concerning residential health care.

Definitions

• 40 TAC §48.1201

The amendment is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which provides the department with the authority to administer public and medical assistance programs.

§48.1201. Definitions of Program Terms. The following words and terms, when used in these sections, shall have the following meanings, unless the context clearly indicates otherwise:

Adult(-)A person 18 or older, or an emancipated minor.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805913 Marlin W. Johnston
 Commissioner
 Texas Department of
 Human Services

Effective date: July 1, 1988

Proposal publication date: April 8, 1988

For further information, please call: (512) 463-3765



Eligibility

• 40 TAC §48.2906

The amendment is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which provide the department with the authority to administer public and medical assistance programs.

§48.2906. Age.

(a) Except as specified in subsections (b) and (c) of this section persons must be at least 18 to receive CCAD services.

(b) Persons may receive the following CCAD Medicaid services without regard to age:

- (1) primary home care; and
- (2) day activity and health services.

(c) Emancipated minors may receive CCAD services without regard to age.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805914 Marlin W. Johnston
 Commissioner
 Texas Department of
 Human Services

Effective date: July 1, 1988

Proposal publication date: April 8, 1988

For further information, please call: (512) 463-3765



• 40 TAC §48.2907

The amendment is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which provides the department with the authority to administer public and medical assistance programs.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805915 Marlin W. Johnston
 Commissioner
 Texas Department of
 Human Services

Effective date: July 1, 1988

Proposal publication date: April 8, 1988

For further information, please call: (512) 463-3765



Chapter 72. Memoranda of Understanding with Other State Agencies

Memorandum of Understanding for Exchange and Distribution of Public Awareness Information

• 40 TAC §72.301

The Texas Department of Human Services (DHS) adopts new §72.301, with out changes to the proposed text published in the March 8, 1988, issue of the *Texas Register* (13 TexReg 1183).

The new section is justified because it complies with legislation, passed by the 70th Legislature in 1987, that requires the adoption by rule of a memorandum of understanding (MOU) between DHS, the Texas Rehabilitation Commission, the Texas Department of Health, and the Texas Department of Mental Health and Mental Retardation; with the MOU to address implementation and coordination of the exchange and distribution of public awareness information among the four agencies.

The new section will function by enhancing interagency cooperation in the exchange of public awareness information.

DHS received one comment regarding the proposal, from the Texas Commission for the Blind. Noting that the proposed language referred to the Texas Rehabilitation Commission as the state authority for delivery of vocational rehabilitation services, the commenter pointed out that the Texas Commission for the Blind is the state authority for delivery of these services to the blind, and suggested that DHS rewrite the proposed section to clarify this point. Although DHS shares the commenter's concern about clarity, the content of the section must conform to the legislatively mandated MOU on which it is based.

The new section is adopted under the Human Resources Code, Title 2, Chapters 22 and 32, which provides the department with the authority to administer public and medical assistance programs.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on June 8, 1988.

TRD-8805912 Marlin W. Johnston
 Commissioner
 Texas Department of
 Human Services

Effective date: July 1, 1988

Proposal publication date: March 8, 1988

For further information, please call: (512) 463-3765



Open Meetings

Agencies with statewide jurisdiction must give at least seven days notice before an impending meeting. Institutions of higher education or political subdivisions covering all or part of four or more counties (regional agencies) must post notice at least 72 hours prior to a scheduled meeting time. Some notices may be received too late to be published before the meeting is held, but all notices are published in the *Texas Register*.

Emergency meetings and agendas. Any of the governmental entities named above must have notice of an emergency meeting, an emergency revision to an agenda, and the reason for such emergency posted for at least two hours before the meeting is convened. Emergency meeting notices filed by all governmental agencies will be published.

Posting of open meeting notices. All notices are posted on the billeting board outside the Office of the Secretary of State on the first floor of the East Wing in the State Capitol, Austin. These notices may contain more detailed agenda than what is published in the *Texas Register*.

Texas Adult Probation Commission

Tuesday, June 21, 1988, 10 a.m. The Advisory Committee on Probation Department Management for the Texas Adult Probation Commission will meet in Salon F, Austin Marriott at the Capitol Hotel, 701 East 11th Street, Austin. According to the agenda, the committee will consider proposed draft guidelines for public input and comments.

Contact: Virginia Grote, 8100 Cameron Road, Suite 600, Building B, Austin, Texas 78753, (512) 834-8188.

Filed: June 8, 1988, 2:21 p.m.

TRD-8805939

Texas Alcoholic Beverage Commission

Monday, June 20, 1988, 10:30 a.m. The Texas Alcoholic Beverage Commission will meet in Room 320, Jefferson Building, 1600 West 38th Street, Austin. According to the agenda, the commission will approve minutes of the May 23, 1988, meeting; hear administrator and staff reports of agency activity; approve affidavit of destruction of tested alcoholic beverages; and consider agency proposals for 1990-1991 biennial budget request, salary recommendations, and other personnel actions as may be necessary.

Contact: W.S. McBeath, P.O. Box 13127, Austin, Texas 78711, (512) 458-2500.

Filed: June 7, 1988, 1:26 p.m.

TRD-8805877

Texas Council on Alzheimer's Disease and Related Disorders

Friday, June 10, 1988, 10 a.m. The Texas Council on Alzheimer's Disease and Related Disorders met at Heritage Village, 2601 Tandy Lane, Fort Worth. According to the agenda, the council read minutes;

adopted final rules concerning council procedures and bylaws; input regarding specialized alzheimer units; updated case mix project; updated standards for specialized alzheimer's facilities; volunteer/public guardians program for mentally incompetent wards; reviewed of committee reports (direct services, education, medical research); and discussed other new business (not requiring board action). The emergency status was necessary as these items needed to be considered.

Contact: Morris H. Craig, Ph.D., 1100 West 49th Street, Austin, Texas 78756, (512) 458-7534.

Filed: June 8, 1988, 12:22 p.m.

TRD-8805928

Automated Information and Telecommunications Council

Friday, June 17, 1988, 10 a.m. The Automated Information and Telecommunications Council will meet in Room 106, John H. Reagan Boulevard, Austin. According to the agenda, the council will approve minutes of the previous section; consider procurements-State Department of Highways and Public Transportation Micro-computer Workstations, \$3.7 million; consider University of Texas at Austin-financial information systems innovations-DEFINE, presentation by John B. Wheat, senior system analyst; hear telecommunications status report and annual report; and consider future business.

Contact: Tina J. Turner, John H. Reagan Boulevard, Room 106, Austin, Texas, (512) 463-5530.

Filed: June 8, 1988, 4:51 p.m.

TRD-8805951

State Banking Board

Wednesday, June 15, 1988, 9:30 a.m. The State Banking Board will meet in the State Banking Department, 2601 North Lamar

Boulevard, Austin. According to the agenda, the board will approve previous minutes; approve interim applications; change of domicile applications; review of applications approved but not yet open, and other pending applications; discontinuance of unmannered teller machines; and meet in executive session to discuss pending litigation.

Contact: Hubert Bell, Jr., 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 479-1200.

Filed: June 7, 1988, 2:09 p.m.

TRD-8805884

Banking Section of the Finance Commission

Thursday, June 16, 1988, 5 p.m. The Banking Section of the Finance Commission will meet in the State Banking Department, 2601 North Lamar Boulevard, Austin. According to the agenda, the section will review and approve minutes of previous meetings, March 25, 1988, and May 27, 1988; review departmental operations: regulatory activity, corporate affairs activity, personnel staffing report, revenue and expenditure summaries, state auditor's report; consider banking department's proposed budget for the September 1989-August 1991, biennial; and approve date of next meeting. The section also will meet in executive session to discuss pending or contemplated litigation and personnel matters.

Contact: Hubert Bell, Jr., 2601 North Lamar Boulevard, Austin, Texas 78701-4249, (512) 479-1200.

Filed: June 8, 1988, 4:31 p.m.

TRD-880590

Texas Bond Review Board

Friday, June 10, 1988, 10 a.m. The Staff Planning Meeting and Public Hearing for the Texas Bond Review Board met in emergency session in Room 102, Reagan Building, Austin. According to the agenda, the board considered proposed issues: UT

Health Science Center/Houston-installment/purchase of printing equipment; and Texas Public Finance Authority-Texas Department of Corrections Bonds; Texas Housing Agency-residential revenue bonds. The emergency status was necessary to allow timely consideration of applications for bond issues and installment/purchase agreement by board members prior to regularly scheduled board meeting.

Contact: Tom K. Pollard, Room 700, Sam Houston Building, Austin, Texas 78711, (512) 463-1741.

Filed: June 8, 1988, 10:33 a.m.

TRD-8805918

Texas School for the Deaf

Friday, June 17, 1988, 8 a.m. The Governing Board of the Texas School for the Deaf will meet in the Boardroom, Administration Building, 1102 South Congress Avenue, Austin. According to the agenda summary, the board will approve minutes of the May 26, 1988, meeting; hear individuals from audience wishing to make a report or comment; consider business requiring board action and business for information purposes; and hear comments by members.

Contact: Sheila O'Leary, 1102 South Congress Avenue, Austin, Texas 78702.

Filed: June 8, 1988, 4:22 p.m.

TRD-8805949

Texas Employment Commission

Wednesday, June 15, 1988, 8:30 a.m. The Texas Employment Commission will meet in Room 644, TEC Building, 101 East 15th Street, Austin. According to the agenda, the commission will consider prior meeting notes; internal procedures of commission appeals; consider and act on tax liability cases and higher level appeals in unemployment compensation cases listed on Docket 24; and set date for the next meeting.

Contact: Courtenay Browning, 101 East 15th Street, Austin, Texas 78778, (512) 463-2226.

Filed: June 7, 1988, 1:55 p.m.

TRD-8805883

Governor's Office

Thursday, June 16, 1988, 9 a.m. The Select Committee on Education, Financial Considerations Subcommittee for the Governor's Office will meet in Room 104, John H. Reagan Building, Austin. According to the agenda, the committee will review and discuss finance options with use of matrix criteria.

Contact: Margaret LaMontagne, 707 Sam Houston Building, 201 East 14th Street, Austin, Texas 78711, (512) 463-1834.

Filed: June 8, 1988, 1:04 p.m.

TRD-8805931

Texas Department of Health

Friday, June 10, 1988, 5 p.m. The Executive Committee of the Texas Board of Health for the Texas Department of Health met at the Airport Managers Office, Draughton-Miller Municipal Airport, 7720 Airport Road, Temple. According to the agenda, the committee considered emergency amendments to women, infants, and children (WIC) state plan of operations concerning issuance of food cards by local agencies; emergency amendments to women, infants, and children (WIC) policy and procedure manual concerning residency as a certification requirement, income screening as a certification requirement, and economic unit of income. The emergency status was necessary to adopt emergency amendments to department WIC rules.

Contact: Kris Lloyd, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7484.

Filed: June 8, 1988, 12:22 p.m.

TRD-8805930

Health and Human Services Coordinating Council

Wednesday, June 15, 1988, 8:30 a.m. The Children and Youth Services State Coordinating Committee for the Health and Human Services State Coordinating Council will meet in Suite 171-E, 7800 Shoal Creek Boulevard, Austin. According to the agenda, the committee will review and approve minutes of last meeting; discuss old business and draft two of the memorandum of understanding (Senate Bill 298); hear report of the local level cooperation subcommittee, the joint funding subcommittee, and the tracking subcommittee; discuss subcommittee reports to the council; hear report to the Texas Health and Human Services Coordinating Council; discuss new business; and select next meeting date.

Contact: Tom Olsen, 311-A East 14th Street, Austin, Texas, (512) 463-2195.

Filed: June 7, 1988, 3:43 p.m.

TRD-8805886

Friday, June 17, 1988, 1:30 p.m. The Administrative/Management Task Force: Technical Advisory Group for the Health and Human Services Coordinating Council will meet in the Seventh Floor Conference Room, Sam Houston Building, 201 East 14th Street, Austin. According to the agenda, the group will approve minutes; hear report on the use of bar codes by the Texas

Department on Aging; consider working review of the Technical Advisory Group draft report; continued discussion of issues; and discuss old and new business.

Contact: Gregg Olsen, 311-A East 14th Street, Austin, Texas, (512) 463-2195.

Filed: June 7, 1988, 3:43 p.m.

TRD-8805917

Thursday, June 30, 1988, 9 a.m. The Task Force on Administration/Management for the Health and Human Services Coordinating Council will meet in the Seventh Floor Conference Room, Sam Houston Building, Austin. According to the agenda, the task force will approve minutes; review objectives; hear a report on the technical advisory group and the study of agencies personnel functions; discuss licensing and regulatory functions; hear a report on the confidentiality issue; consider objectives for the next meeting; and discuss old and new business.

Contact: Gregg Olsen, 311-A East 14th Street, Austin, Texas, (512) 463-2195.

Filed: June 7, 1988, 3:43 p.m.

TRD-8805885

Texas Housing Agency

Wednesday, June 15, 1988, 10 a.m. The Personnel and Planning Committee for the Texas Housing Agency will meet in Room 224, Holiday Inn Crown Plaza, 2222 West Loop South, Houston. According to the agenda, the committee will conduct executive administrator interviews, and while in executive session, discuss matters pertaining to staff.

Contact: Karen D. Cheney, P.O. Box 13941, Austin, Texas 78711-3941.

Filed: June 7, 1988, 4:23 p.m.

TRD-8805894

Interagency Council on Early Childhood Intervention

Friday, June 17, 1988, 1 p.m. The Interagency Council on Early Childhood Intervention will meet in the First Floor Conference Room, Texas Department of Health, 1101 East Anderson Lane, Austin. According to the agenda, the council will hear public comments and consider fiscal year 1990-1991 legislative budget board request.

Contact: Mary Elder, 1100 West 49th Street, Austin, Texas 78756, (512) 465-2671.

Filed: June 8, 1988, 12:12 p.m.

TRD-8805929

Lamar University System

Thursday, June 9, 1988, 1 p.m. The Board of Regents for Lamar University System, met in the Map Room, John Gray Institute, 855 Florida, Beaumont. According to the agenda, the Buildings and Grounds Committee considered contract to repair leaks at the John and Mary Gray Library. The emergency session was necessary as the proposal for the repairs arrived after the original meeting.

Contact: George McLaughlin, P.O. Box 11900, Beaumont, Texas 77710, (409) 880-2304.

Filed: June 8, 1988, 2:02 p.m.

TRD-8805945

Texas Board of Land Surveying

Friday, June 24, 1988, 8 a.m. The Third Called Meeting of 1988 for the Texas Board of Land Surveying will meet in Suite 304, 7703 North Lamar Boulevard, Austin. According to the agenda, the board will approve minutes of the previous meeting; discuss proposed amendments to the Land Surveying Practices Act and verify scores from the April, 1988 examination, if available, from the National Council of Engineering Examiners.

Contact: Betty J. Pope, 7703 North Lamar Boulevard, Suite 304, Austin, Texas 78752, (512) 452-9427.

Filed: June 7, 1988, 3:40 p.m.

TRD-8805887

Texas Optometry Board

Thursday, June 16, 1988, 3 p.m. The Texas Optometry Board will meet at the Marriott Hotel near the Astrodome, 2100 South Braeswood, Houston. According to the agenda, the board will consider reports of the secretary-treasurer, legal counsel, executive director, and committee chairpersons; unfinished business to cover discussions regarding medicare report, meeting on May 5, 1988, of State Board of Medical Examiners Standing Orders Committee, and correspondence with Texas Commission for the Blind; and discuss new business to consider adoption of Rule 279.8, regarding the definition of optometry, hear report on proposed FTC eyeglass rule II. The board also will meet in executive session in compliance with the Open Meetings Act, Article 6252-17, §2(e). The Investigation-Enforcement Committee will meet at 10:45 a.m.; Rules Committee at 1:30 p.m.; Continuing Education Committee at 2 p.m.; and all other committees, 2:30 p.m. Board exams will be administered on June 17-19, 1988, at University of Houston, Houston.

Contact: Lois Ewald, 1300 East Anderson

Lane, Suite C 240, Austin, Texas, (512) 835-1938.

Filed: June 8, 1988, 9:09 a.m.

TRD-8805905

Texas State Board of Podiatry Examiners

Thursday-Sunday, June 16-19, 1988, 2 p.m., 9 a.m., 8 a.m., and 9 a.m., respectively. The Texas State Board of Podiatry Examiners will meet in the Flagship Hotel, Galveston. According to the agenda, the board will discuss (on Thursday) inspection of credentials of candidates to take board exams; acceptable procedures for day surgery center; current complaint files; elect officers for the board; approve budget recommendations for fiscal year 1990-1991; and discuss rules concerning Rad-Tech. The written examination for candidates for licensure will be conducted on Friday, oral examinations on Saturday, and grading and compiling grades by the board members of each applicant test and signing of licenses, on Sunday.

Contact: Sandra Marshall, (512) 834-0558.

Filed: June 8, 1988, 9:08 a.m.

TRD-8805906

Texas State Board of Examiners of Professional Counselors

Friday-Saturday, June 17-18, 1988, 1 p.m. and 9 a.m., respectively. The Texas State Board of Examiners of Professional Counselors will meet in the Hemphill Room, Austin Airport Hilton and Towers, 600 Middle Fiskville Road, Austin. According to the agenda, the board will meet in executive session to discuss personnel matters; approve minutes of the May 14, 1988, meeting; hear committee reports (applications, complaints, revocations, suspensions, fees and budgets, testing and continuing education, licensing, renewals, ethics, license certificates, supervisors; rules and specialties; professional relations); consider reciprocity; cancellation of licenses due to nonrenewal; consider licensure applications and procedures, including reviews of disapproved files (applications with disapproved files may appear for review of their applications); other matters relating to the licensure and regulation of professional counselors not involving board action; and set the next meeting date.

Contact: Marilyn J. Presusse, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7511.

Filed: June 7, 1988, 12:19 p.m.

TRD-8805876

Public Utility Commission of Texas

The Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin. Dates, times, and agendas follow.

Wednesday, June 15, 1988, 9 a.m. The Hearings Division will consider Dockets 7460 and 7172-Application of El Paso Electric Company for authority to change rates and application of El Paso Electric Company for review of the sale and leaseback of Palo Verde Nuclear Generating Station Two-Motion for rehearing and will consider for final adoption §25.53 concerning universal service fund.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 7, 1988, 4:52 p.m.

TRD-8805898

Wednesday, June 15, 1988, 11 a.m. The Administrative Division will approve minutes of the previous meeting; hear reports; discuss and act on budget and fiscal matters; consider and approve to submit tel-assistance service program and comments on notice of proposed rulemaking; and set time and place for next meeting. The division will also meet in executive session to consider personnel and litigation matters.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 7, 1988, 4:52 p.m.

TRD-8805899

Friday, June 17, 1988, 2 p.m. The Hearings Division will consider Docket 8136-Application of Texas-New Mexico Power Company for approval of a purchased-power contract.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 7, 1988, 4:53 p.m.

TRD-8805900

Friday, June 24, 1988, 10 a.m. The Hearings Division will consider Docket 7560-Application of Central Power and Light Company for approval of deferred accounting treatment of certain costs related to the South Texas Nuclear Project Unit 1.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 8, 1988, 2:10 p.m.

TRD-8805942

Friday, July 22, 1988, 10 a.m. The Hearings Division will consider Docket 7560-Application of Central Power and Light Company for approval of deferred accounting treatment of certain costs related to the

South Texas Nuclear Project Unit 1.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 8, 1988, 2:09 p.m.

TRD-8805944

Monday, August 1, 1988, 10 a.m. The Hearings Division will meet in Docket 8115-Application of Lea County Electric Cooperative, Inc. for approval of a levelized fuel and PCRF clause.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 7, 1988, 4:52 p.m.

TRD-8805901

Monday, August 8, 1988, 10 a.m. The Hearings Division will consider Docket 7560-Application of Central Power and Light Company for approval of deferred accounting treatment of certain costs related to the South Texas Nuclear Project Unit 1.

Contact: Phillip A. Holder, 7800 Shoal Creek Boulevard, Austin, Texas 78757, (512) 458-0100.

Filed: June 8, 1988, 2:09 p.m.

TRD-8805943

Texas Rehabilitation Commission

Wednesday, June 15, 1988, 11:30 a.m. The Private Initiatives Subcommittee of the Governor's Committee for Disabled Persons for the Texas Rehabilitation Commission will meet in Suite 136, The Princeton, 14651 Dallas Parkway, Dallas. According to the agenda summary, the committee will review fiscal year 1989 objectives for GCDP; private sector support for GCDP purpose and functions; and bid to host President's Committee annual meeting in 1991.

Contact: Virginia Roberts, (512) 445-8276.

Filed: June 7, 1988, 3:33 p.m.

TRD-8805888

Texas Small Business Industrial Development Corporation

Tuesday, June 14, 1988, 1:30 p.m. The Board of Directors of the Texas Small Business Industrial Development Corporation submitted an emergency revised agenda for a meeting held in the Wyndham Hotel, 9821, San Antonio. According to the agenda summary, the board heard introductory remarks; approved minutes of the previous meeting, amended and restated TEXCAP program guidelines, and amended TEXCAP financing documents; and consid-

ered third amended and restated trust indenture, remarketing agreement, letter of credit or reimbursement agreements, form of obligation, investment agreement, approval of payment of \$25,000 to Department of Commerce for expenses, certification of "net earnings" and payment of \$250,000 to Department of Commerce, approved amendments to and substitutions of Moulding Products, Inc., financing documents, and election of TEXCAP financing corporation directors. The emergency status was necessary because of inclusion of additional information not available on filing date.

Contact: Bruce Anderson, (512) 472-5059.

Filed: June 8, 1988, 9:15 a.m.

TRD-8805903

Board of Tax Professional Examiners

Wednesday, June 22, 1988, 9 a.m. The Board of Tax Professional Examiners will meet at the State Property Tax Board, 9501 North IH 35, Austin. According to the agenda, the board will consider action items, including approval of tax office administration course as an elective course in the assessing/collecting field.

Contact: Sam H. Smith, P.O. Box 15920, Austin, Texas, (512) 834-4982.

Filed: June 8, 1988, 10:14 a.m.

TRD-8805916

Texas Water Development Board

Thursday, June 16, 1988, 9:30 a.m. The Texas Water Development Board will meet in Room 118, 1700 North Congress Avenue, Austin. According to the agenda summary, the board will approve minutes of the May 19 and June 3, 1988, meetings; hear DFM report; consider setting the lending rate scale for series 1988A, 1988B, and 1988C bond proceeds; consider financial assistance for Cameron County FWSD #1, Bell County WC&ID #3, and Cities of Jacksboro, Lorena, Dayton, and El Paso; applications for flood protection planning grants in an amount not to exceed \$150,000 for fiscal year 1988; applications for research grants in an amount not to exceed \$150,000 for fiscal year 1988; authorizing publication of a proposed amendment to 31 TAC §355.1 to establish funding priorities for fiscal year 1989; review of documents relating to 1988 refunding issue in conjunction with the Texas Water Resources Finance Authority; and review of financing plan relating to 1988 refunding issue with bond counsel, financial advisors, and senior managing underwriters.

Contact: M. Reginald Arnold III, P.O. Box 13231, Austin, Texas, (512) 463-7847.

Filed: June 8, 1988, 2:33 p.m.

TRD-8805941

Texas Water Resources Finance Authority

Thursday, June 16, 1988, 10 a.m. The Texas Water Resources Finance Authority will meet in Room 118, 1700 North Congress Avenue, Austin. According to the agenda, the authority will consider approval of minutes for the April 21, 1988, meeting; consider the selection of official statement printer for the proposed sale of revenue bonds; and review (in conjunction with the Texas Water Development Board), documents relating to 1988 refunding issue.

Contact: M. Reginald Arnold, II, P.O. Box 13231, Austin, Texas, (512) 463-7847.

Filed: June 8, 1988, 2:18 p.m.

TRD-8805940

Regional Meetings

Meetings Filed June 7, 1988

The Austin Transportation Study, Policy Advisory Committee, will meet in Room 2.120, Joe C. Thompson Conference Center, University of Texas, Austin, on June 14, 1988, at 6 p.m. Information may be obtained from Joseph P. Gieselman, 314 West 11th Street, Austin, Texas 78767, (512) 473-9122.

The Callahan County Appraisal District, Board of Directors, met on the First Floor, Callahan County Courthouse, Baird, on June 13, 1988, at 7:30 p. m. Information may be obtained from Jane Ringhoffer, P.O. Box 806, Baird, Texas 79504, (915) 854-1165.

The Dallas Area Rapid Transit, Planning and Development Design Principles, met at 601 Pacific Avenue, Dallas, on June 10, 1988, at 2 p.m. Information may be obtained from Sylvia Villarreal, 601 Pacific Avenue, Dallas, Texas 75202, (214) 658-6237.

The Dawson County Central Appraisal District, Board of Directors, will meet at 920 North Dallas Avenue, Lamesa, on June 15, 1988, at 7 a.m. Information may be obtained from Tom Anderson, P.O. Box 797, Lamesa, Texas 79331, (806) 872-7060.

The Trinity River Authority of Texas, Resources Development Committee and Administration Committee, met at 5300 South Collins, Arlington, on June 13, 1988, at 9:30 a.m. The Utility Services Committee and Legal Committee will meet at the same location on June 14, 1988, at 2:30 p.m. and 9:30 a.m. Information may be obtained from Jack C. Worsham, P.O. Box 60, Arlington, Texas 76010, (817) 467-4343.

TRD-8805869

Meetings Filed June 8, 1988

The Education Service Center, Region I, Board of Directors, will meet at 1900 West Schunior, Edinburg, on June 14, 1988, 6 p.m. Information may be obtained from Lauro R. Guerra, 1900 West Schunior, Edinburg, Texas, (512) 383-5611.

The Education Service Center, Region X, Board of Directors, will meet at the Region X Boardroom, 400 East Spring Valley, Richardson, on June 15, 1988, 12:30 p.m. Information may be obtained from Joe Farmer, 400 East Spring Valley, Richardson, Texas 75081, (214) 231-6301.

The Edwards Underground Water District, Board of Directors will meet at 1615 North St. Mary's Street, San Antonio, on June 14, 1988, at 10 a.m. Information may be obtained from Thomas P. Fox, 1615 North St. Mary's Street, San Antonio, Texas 78215, (512) 222-2204.

The Guadalupe-Blanco River Authority, Board of Directors, will meet at 933 East Court Street, Sequin, on June 16, 1988, 10 a.m. Information may be obtained from John H. Specht, P.O. Box 271, Sequin, Texas 78156-0271, (512) 379-5822.

The Hood County Appraisal District, Appraisal Review Board, will meet at the District Office, 1902 West Pearl, Granbury, on June 17, 1988, at 9:30 a.m. Information may be obtained from Herold Chesnut, 1902 West Pearl, Granbury, Texas 76048, (817) 573-2471.

The Middle Rio Grande Service Delivery Area, Private Industry Council, will meet at the Catholic Church Hall, Nueces Street, Rocksprings, on June 15, 1988, at noon. Information may be obtained from Mike Patterson, P.O. Box 1199, Carrizo Springs, Texas 78834, (512) 876-3533.

The North Texas Municipal Water Dis-

trict, Board of Directors, will meet in Administrative Offices, 505 East Brown Street, Wylie, on June 23, 1988, 4 p.m. Information may be obtained from Carl W. Riehn, (214) 442-5404, ext. 200.

TRD-8805916

Meetings Filed June 9, 1988

The Alamo Area Council of Governments, Area Judges of the Alamo Service Delivery Area, Budget and Workplan Committee, and Executive Committee, will meet in Suite 400, 118 Broadway, San Antonio, on June 19, 1988, at 11:30 a.m., noon, and 1:30 p.m., respectively. Information may be obtained from Al J. Notzon, III, 118 Broadway, Suite 400, San Antonio, Texas 78205, (512) 225-5201.

The Coryell County Appraisal District, Appraisal Review Board, will meet at the District Office, 113 North Seventh Street, Gatesville, on June 15, 1988, at 9:30 a.m. Information may be obtained from Darrell Lisenbe, P.O. Box 142, Gatesville, Texas 76528, (817) 865-6593.

The Education Service Center, Region IX, will meet at 3001 North Freeway, Fort Worth, on June 24, 1988, at noon. Information may be obtained from R.P. Campbell, Jr., (817) 625-5311, ext. 102.

The Limestone County Appraisal District, Board of Directors, will meet in the District Meeting Room, Limestone County Courthouse, Groesbeck, on June 15, 1988, at 5 p.m. Information may be obtained from Clydene Hyden, P.O. Drawer 831, Groesbeck, Texas 76642, (817) 729-3009.

The Middle Rio Grande Service Delivery Area, Private Industry Council, will meet in the Catholic Church Hall, Nueces Street, Rocksprings, on June 15, 1988, at noon.

Information may be obtained from Mike Patterson, P.O. Box 1199, Carrizo Springs, Texas 78834, (512) 876-3533.

The Mills County Appraisal District, will meet in the Jury Room, Mills County Courthouse, Goldthwaite, on June 16, 1988, at 6:30 p.m. Information may be obtained from Doran E. Lemke, P.O. Box 565, Goldthwaite, Texas 76844, (915) 648-2253.

The Nolan County Central Appraisal District, Board of Directors, will meet in Suite 317A, Nolan County Courthouse, Sweetwater, on June 14, 1988, at 7 a.m. Information may be obtained from Patricia Davis, P.O. Box 1256, Sweetwater, Texas 79556, (915) 235-8421.

The North Texas State Planning Region Consortium of Nortex Regional Planning Commission, will meet in the Bounty Room, Trade Winds Motor Hotel, 1212 Broad Street, Wichita Falls, on June 16, 1988, at 1 p.m. Information may be obtained from Edwin B. Daniel, 2101 Kemp Boulevard, Wichita Falls, Texas, (817) 322-5281.

The Pecan Valley Mental Health Mental Retardation Region, Board of Trustees, will meet at the Clinical Office, 104 Charles Street, Granbury, on June 15, 1988, at 8 a.m. Information may be obtained from Theresa Mulloy, P.O. Box 973, Stephenville, Texas 76401, (817) 965-7806.

The Tarrant Appraisal District, Appraisal Review Board, met in emergency session at 2309 Gravel Road, Fort Worth, on June 10, 1988, at 8:30 a.m. The board also will meet at the same location on June 14-17, 21-24, 27-30, 1988, at 8:30 a.m. Information may be obtained from Linda R. Freeman, 2309 Gravel Road, Fort Worth, Texas 76118, (817) 284-8884.

TRD-8805902



Name: Scot Barry
Grade: 8
School: T.H. McDonald Middle School,
Mesquite

In Addition

The *Texas Register* is required by statute to publish certain documents, including applications to purchase control of state banks, notices of rate ceilings, changes in interest rate and applications to install remote service units, and consultant proposal requests and awards.

To aid agencies in communicating information quickly and effectively, other information of general interest to the public is published as space allows.

Texas Air Control Board Request for Proposal

Notice of Invitation for Proposals. The Texas Air Control Board (TACB) is soliciting proposals from interested parties to measure the organic carbon, elemental carbon, and coarse carbonate concentrations in particulate matter on selected samples collected in Dallas and other areas of Texas. The TACB will receive proposals until 5 p.m., June 30, 1988. Proposals need not be a formal commitment on the part of the proposer's organization to perform the work; they should contain a statement of suggested approach and a statement of qualifications of the principal persons who would be performing the work if it is undertaken. This project is anticipated to be funded up to \$5,000 for the analysis of filters obtained from sampling in Dallas undertaken in 1987, with an option for up to \$3,000 for the analysis of additional filters to be obtained from additional sampling projects. All analyses and the final report for the first phase must be completed and delivered to the TACB by August 31, 1988. All analyses and the final report for the option must be completed and delivered to the TACB by August 31, 1988. All analyses and the final report for the option must be completed and delivered to the TACB by August 31, 1989.

Data from the analysis will be used to assist in determining the chemical composition of fine particles in the air and the relationship between particulate matter and visibility reduction as part of the TACB's efforts to study visibility and to characterize particular matter in Dallas and other areas in Texas. The purpose of these studies is to begin to determine the nature and origin of the fine particles that cause the visibility reductions in certain urban areas of Texas and to characterize the constituents of particulate matter that may be contributing to poor visibility and to potentially adverse effects on human health by deposition in the respiratory tract and the lungs.

Description of Services. The purpose of this contract is to determine the concentrations of organic carbon, elemental carbon, and coarse carbonate in selected particulate matter samples and the light absorbance of these samples. These samples are anticipated to be deposited on 37 mm quartz filters by a dichotomous sampler. The filters are certified to 800 degrees Celcius and will have been pre-fired to reduce organic contamination of the blanks. Most particulate samples are expected to be taken from the fine fraction (0 to 2.5 micron aerodynamic diameter). The typical sampling period will be about 12 hours at a flow rate of about 15 liters per minute. It is estimated that but 400 samples will be analyzed, approximately 250 for the Dallas study of 1987, and an option for up to 150 for additional studies to be undertaken in Texas.

Any of several analytical procedures will be considered. The proposal should include a description of the analytical procedure and estimates of detection and precision limits on quartz filters. Any special requirements that the filter media must meet (such as for binder impurities or certified temperature) must also be specified. The organic carbon,

elemental carbon, and the sample's light absorbance must be measured. A proposal to measure only one of these constituents or total carbon only will be considered unacceptable. Carbonate measurement on the coarse (2.5 to 10 micron) samples is desired but not required.

If thermal procedures are proposed, the corrections to be used to estimate charring of organics should be discussed in the proposal. If optical procedures are proposed, the corrections to be used for colors in the metal compounds should be discussed.

The cost of collecting the samples is not included in this contract. The samples will be sent to the laboratory in batches of 50 or more filters. Final reports for each batch shall include estimates of the organic carbon, elemental carbon, and coarse carbonate concentrations, detection limits, light absorbance, and related quality assurance data.

Procedure for Awarding Contract. The TACB will select and award such contract and engage such services on the basis of demonstrated competence, qualifications, and availability of resources to perform the required work. The TACB agrees to receive proposals only under the condition that they shall become public after 5 p.m., June 30, 1988, and that they are submitted free of charge to the TACB and free from any obligation on the part of the TACB. Moreover, the proposer must provide adequate assurance that release of the proposal will not violate any rights of confidentiality or other property rights. The TACB may choose to enter into one or no contract as a result of this Request for Proposal.

Contact Person. Proposals or requests for additional information should be directed to Stuart Dattner, Research Division, Texas Air Control Board, 6330 Highway 290 East, Austin, Texas 78723, (512) 451-5711, ext. 442, STS 824-7442.

Issued in Austin, Texas on May 6, 1988.

TRD-8805896 Allen Ell Bell
Executive Director
Texas Air Control Board

Filed: June 7, 1988

For further information, please call (512) 451-5711 ext. 354

State Banking Board Notice of Hearing Cancellation

As no opposition has been noted in the application for domicile change by Deposit Guaranty Bank, Dallas, the hearing previously scheduled for June 13, 1988, has been cancelled.

Issued in Austin, Texas on June 6, 1988.

TRD-8805866 William F. Aldridge
Director
Texas Department of Banking

Filed: June 7, 1988

For further information, please call (512) 479-1200

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Texas Department of Commerce

Weekly Report on the 1988 Allocation of the State Ceiling on Certain Private Activity Bonds

The Tax Reform Act of 1986 (the Tax Act) imposes a volume ceiling on the aggregate principal amount of private activity bonds that may be issued within the State of Texas during any calendar year. The state ceiling for Texas, imposed by the Tax Act for calendar year 1988 is \$834,100,000.

State legislation, Senate Bill 1382, Chapter 1092, Acts of the 70th Legislature, (the Act), established the allocation process for the State of Texas. The Act specifies that one-third of the state ceiling is to be made available to qualified mortgage bonds and of that one-third, one-third is available to the Texas Housing Agency. One-fourth of the state ceiling is available to state-voted issues, and the balance of the state ceiling is available for all other issuers of bonds requiring an allocation.

Pursuant to the Act, the aggregate amount for qualified mortgage bond subceiling is \$278,033,300, with \$185,355,500 available to the local housing authorities and \$92,677,800 available to the Texas Housing Agency. The aggregate amount for state-voted issues is \$208,525,000 and the amount for all other bonds requiring an allocation is \$347,541,700.

Generally, the state ceiling is allocated on a first-come, first-served basis, with the Texas Department of Commerce (the department) administering the allocation system.

The information that follows is a weekly report of the allocation activity for the period, May 30, 1988-June 3, 1988.

Weekly report on the 1988 allocation of the state ceiling on certain private activity bonds as pursuant to Senate Bill 1382.

Total amount of state ceiling remaining unreserved for the \$278,033,300 subceiling for qualified mortgage bonds under the Act as of June 3, 1988: \$212, 953,300.

Total amount of state ceiling remaining unreserved for the \$208,525,000 subceiling for state-voted issues under the Act as of June 3, 1988: \$208,525,000.

Total amount of state ceiling remaining unreserved for the \$347,541,700 subceiling for all other bonds under the Act as of June 3, 1988: \$41,700

Total amount of the \$834,100,000 state ceiling remaining unreserved as of June 3, 1988: \$421,520,000.

Comprehensive listing of bond issues which have received a reservation date pursuant to the Act from May 30, 1988-June 3, 1988: Nueces County Housing Finance Corporation, Eligible Borrowers, Mortgage Credit Certificates, \$15,080, 000.

Comprehensive listing of bonds issued and delivered as pursuant to the Act from May 30, 1988-June 3, 1988: Panhandle-Plains Higher Education Authority, Eligible Borrowers, Qualified Students Loan Bonds, \$7,800,000.

Issued in Austin, Texas, on June 6, 1988.

TRD-8805893 J. William Lauderback
Executive Director
Texas Department of Commerce

Filed: June 7, 1988

For further information, please call (512) 472-5059

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Texas Department of Community Affairs

Notice of Block Grants Public Hearings

As part of the public information, consultation, and public hearings requirements for federal block grant funds, the Texas Department of Community Affairs (TDCA) is conducting public hearings throughout the state in June and July of 1988. The purpose of these hearings is to solicit comments on the proposed use and distribution of fiscal year 1989 funds provided under the Community Services Block Grant (CSBG), the Low-Income Home Energy Assistance Program (LIHEAP) Block Grant-Weatherization Assistance for Low-Income Persons, and Energy Crisis Program operations. Comments will also be solicited on the state's intended use of the fiscal year 1988 grant funds received from the United States Department of Health and Human Services for the Dependent Care Grant Program.

At these hearings, proposed intended use reports on these funds for federal fiscal year 1989 (beginning October 1, 1988), will be provided, and public comments will be solicited for use in the preparation of final plans.

Four public hearings have been scheduled at the locations and times listed below: June 29, 1988, Brownsville, Cameron County Courthouse, Administrative Building, Fourth Floor, Commissioners' Court Room, 964 East Harrison, 7 p.m.; June 30, 1988, Houston, Gulf Coast Community Services Association, Conference Rooms A and B, 6300 Bowling Green, 7 p.m.; July 6, 1988, Amarillo, Panhandle Regional Planning Commission, Conference Room, 2736 West 10th, 1:30 p.m.; July 7, 1988, El Paso, City Council Chambers, City of El Paso, Two Civic Center Plaza, 10:30 a.m.

A representative(s) from the TDCA will be present to explain the planning process, consult with, and receive comments from interested citizens and affected groups regarding the proposed plans. All written and oral comments will be used in preparation of the fiscal year 1989 block grant state plans and the final fiscal year 1988 State Plan/Application for the Dependent Care Grant Program.

Proposed intended use reports may be obtained from regional councils of governments on or about June 24th, or by contacting the Texas Department of Community Affairs, Willie L. Scott, Executive Director, P.O. Box 13166, Austin, Texas 78711-3166. The programs' contact person is Lucio Varela, Director of Program Support Section of the Texas Department of Community Affairs, (512) 834-6006.

Comments on the intended use of funds may be in the form of oral testimony or written comments at the hearings. Written comments may be submitted to TDCA at the hearings or within 30 days after publication of this notice.

Issued in Austin, Texas on June 2, 1988.

TRD-8805842 Roger A. Coffield
General Counsel
Texas Department of Community Affairs

Filed: June 6, 1988

For further information, please call (512) 834-6010

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Public Notice—Notice of Grant Award

The Texas Department of Community Affairs, the administering agency for the Emergency Shelter Grant Program, authorized by the Stewart B. McKinney Homeless Assistance Act, subtitle B of Title IV Public Law Number 100-77 (42 United States Code §11371 *et. seq.*) announces the United States Department of Housing and Urban Development has awarded TDCA an additional \$219,000 of ESGP funds for fiscal year 1988. The TDCA will award the additional funds to the units of local government that submitted the most responsive unfunded ESGP proposals in January, 1988. For additional information on the Emergency Shelter Grants Program, see the Request for Proposal published in the January 5, 1988, issue of the *Texas Register* (13 TexReg 132).

To obtain more information, parties may call or write Eddie Fariss, Department of Community Affairs, P.O. Box

13166, Austin, Texas 78711-3166, (512) 834-6022.

Issued in Austin, Texas on June 2, 1988.

TRD-8805843

Roger A. Coffield
General Counsel
Texas Department of Community Affairs

Filed: June 6, 1988

For further information, please call (512) 834-6010

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**Office of Consumer Credit
Commissioner**

Notice of Rate Ceilings

The consumer credit commissioner of Texas has ascertained the following rate ceilings by use of the formulas and methods described in Texas Civil Statutes, Title 79, Articles 1.04, 1.05, 1.11, and 15.02, as amended (Texas Civil Statutes, Articles 5069-1.04, 1.05, 1.11, and 15.02).

| <u>Type of Rate Ceilings</u> | <u>Effective Period (Dates are Inclusive)</u> | <u>Consumer⁽³⁾/Agri- cultural/Commercial⁽⁴⁾ thru \$250,000</u> | <u>Commercial⁽⁴⁾ over \$250,000</u> |
|--|---|--|--|
| Indicated (Weekly) Rate - Art. 1.04(a)(1) | 06/13/88-06/19/88 | 18.00% | 18.00% |
| Monthly Rate Art. 1.04(c) ⁽¹⁾ | 06/01/88-06/30/88 | 18.00% | 18.00% |
| Standard Quarterly Rate - Art. 1.04(a)(2) | 07/01/88-09/30/88 | 18.00% | 18.00% |
| Retail Credit Card Quarterly Rate - Art. 1.11 ⁽³⁾ | 07/01/88-09/30/88 | 18.00% | N.A. |
| Lender Credit Card Quar- terly Rate - Art. 15.02(d) ⁽³⁾ | 07/01/88-09/30/88 | 14.00% | N.A. |
| Standard Annual Rate - Art. 1.04(a)(2) ⁽²⁾ | 07/01/88-09/30/88 | 18.00% | 18.00% |
| Retail Credit Card Annual Rate - Art. 1.11 ⁽³⁾ | 07/01/88-09/30/88 | 18.00% | N.A. |
| Annual Rate Applicable to Pre-July 1, 1983 Retail Credit Card and Lender Credit Card Balances with Annual Implementation Dates from: | 07/01/88-09/30/88 | 18.00% | N.A. |
| Judgment Rate - Art. 1.05, Section 2 | 06/01/88-06/30/88 | 10.00% | 10.00% |

- (1) For variable rate commercial transactions only.
- (2) Only for open-end credit as defined in Art. 5069-1.01(f) V.T.C.S.
- (3) Credit for personal, family or household use.
- (4) Credit for business, commercial, investment or other similar purpose.

Issued in Austin, Texas, on June 6, 1988.

TRD-8805904 Al Endaley
Consumer Credit Commissioner

Filed: June 8, 1988

For further information, please call: (512) 479-1280

◆ ◆ ◆
General Land Office
Contract Award

In accordance with Texas Civil Statutes, Article 6252-11c, the Texas General Land Office files this report announcing the award of a contract for consultant services to Coopers and Lybrand, 600 Congress Avenue, One American Center, Austin, Texas 78701. The proposal request was published in the February 19, 1988, issue of the *Texas Register* (13 TexReg 894).

Coopers and Lybrand will provide a comprehensive evaluation of the data processing program at the General Land Office. Consultant shall complete its evaluation by October 31, 1988.

Consultant will be paid \$98,500, which constitute the total fees and expenses under this contract.

This contract was executed May 24, 1988.

Issued in Austin, Texas on May 31, 1988.

TRD-8805833 Garry Mauro
Commissioner
General Land Office

Filed: June 6, 1988

For further information, please call (512) 463-5009

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Texas Department of Health
Correction of Error

The Texas Department of Health submitted a renewal of effectiveness of new section which contained an error as published in the April 29, 1988, issue of the *Texas Register* (13 TexReg 2863).

For Chapter 143, §§143.1-143.14 the expiration date for the renewal of effectiveness should read: Expiration date: June 30, 1988.

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State Department of Highways and
Public Transportation
Public Hearing Notice

Pursuant to the Texas Coastal Waterway Act of 1975, Texas Civil Statutes, Article 5415e-2, §6(g), the State Highway and Public Transportation Commission conducted a public hearing on April 27, 1988, for the purpose of receiving data, evidence, comments, views, and/or testimony concerning the proposed acquisition by donation, lease, or purchase of five tracts of land in Matagorda County, for use as disposal sites for materials dredged from the main channel of the Gulf Intracoastal Waterway. During its regular open meeting on May 16, 1988, the commission considered the results of that hearing, and, based upon the record, approved acquisition of three of those sites and deferred action on the remaining two as described below. On its own motion and on request of certain interested parties the commission then ordered the

public hearing record be held open as to the two remaining sites, pending receipt of certain additional information.

Notice is hereby given that the commission will therefore reconvene its public hearing on Tuesday, June 28, 1988, for the express limited purpose of allowing those interested parties, Herf Cornelius and Mignon Matthews of Bay City, and Janice M. Lang and James D. Lang of Houston to complete their verbal presentations for the record concerning acquisition and use of the following sites situated in Matagorda County:

Approximately 200 acres, referred to as DA101A, is adjacent to and on the north side of the Gulf Intracoastal Waterway and west of Caney Creek. The site is also identified by the United States Army Corps of Engineers as between their station numbers 343+000 and 347+000.

Approximately 60 acres, referred to as DA104A Extension, is adjacent to and on the north side of the Gulf Intracoastal Waterway and west of Live Oak Bayou. The site is also identified by the United States Army Corps of Engineers as between their station numbers 383+000 and 386+900.

The public hearing will be held at 10 a.m., in the First Floor Meeting Room, Dewitt C. Greer State Highway Building, 11th and Brazos Streets, Austin. Any written documents or other materials intended to be utilized by the named interested parties in their respective presentations or for purposes of the record must be filed with and received by the person listed below at the specified address no later than 4 p.m., on Monday, June 17, 1988.

For further information, please contact Alvin R. Luedecke, Jr., State Transportation Planning Engineer, P.O. Box 5051, Austin, Texas 78763-5051, (512) 465-7346; or Marcus L. Yancey, Deputy Director, Planning Policy, (512) 463-8627.

Issued in Austin, Texas on June 7, 1988.

TRD-8805831 Diane L. Northam
Administrative Technician
State Department of Highways and Public
Transportation

Filed: June 6, 1988

For further information, please call (512) 463-8630

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Texas Department of Human Services
Request for Proposal

The Texas Department of Human Services (TDHS) is requesting proposals for up to six service contracts to provide homemaker services in the department's Region 5. Depending on the need in each county, parent/caretaker training may also be requested.

Description: For purposes of this request for proposal only, the six (6) service areas where these services will be procured are Dallas, Tarrant, Denton, Grayson, Ellis, and Johnson counties. Offerors may present a proposal to serve Dallas/Ellis as a combined area or a proposal for each county separately. All other proposals must be county specific. Protective homemaker contracts are to serve children and families in their own homes or children and caretakers if providing the service will preserve the child's placement. Referrals are made from open protective services cases in each county. Region 5's estimate of the number of monthly referrals for each county is as follows: Dallas-53; Tarrant-31; Denton-6; Grayson-4; Ellis-5; and Johnson-6. The funding base for these contracts will be Title IV-B of the Social Security Act. for the first year, the

contracts will be written as cost reimbursement contracts. The unit of service is one hour of delivered service. Offerors may submit separate proposals for emergency homemaker, protective homemaker, parent training, and/or caretaker training. Offerors may present a proposal for any combination of services. To be eligible to submit a proposal for homemaker services (include emergency and protective) an offeror must be one of the following: public agency (unit of government); private, non-profit agency; or private, for-profit agency. To be eligible to submit a proposal for parent/caretaker training an offeror must be one of the following: public agency (unit of government); private, non-profit agency; private, for-profit agency; educational institution; and/or an individual.

Contract Period: The proposed contract period will be September 1, 1988, through August 31, 1989. Contracts awarded will be renewable on a yearly basis through August 31, 1992, at the option of the department. All contracts awarded are contingent upon available funding for implementation. The department reserves the right not to procure in any or all of the procurement areas based upon lack of funding or altered needs. Renewal contract allocations will be contingent on the level of the department's Region 5's annual allocation received in the region, an assessment of continuing need for the service in the service area, and the quality and level of service delivered in each county. After services are provided, payment will be made on a monthly basis through submittal of Forms 4116 (TDHS Purchase Request Voucher), Form 2014 (Purchased Service Expenditure Report), and Form 2016 (Purchased Service Delivery Report).

Evaluation and Selection: The criteria used to evaluate proposals include agency's prior experience; program description; plan for delivery; and cost. Final selection will be based upon the department's evaluation of the criteria.

Contact Person: For a copy of the proposal packet, call or write Bernie Sorrels, P.O. Box 5128, Arlington, Texas, 76011. You can pick up a copy of the proposal packet at 631 106th Street, Arlington, Texas 76011, (817) 640-5090. Proposal packets will be available June 21, 1988.

Closing Date: Proposals must be at the Arlington Regional office at 631 106th Street, Arlington, Texas 76011, Families and Children's Division by 4 p.m. on Tuesday, July 12, 1988.

Issued in Austin, Texas on June 7, 1988.

TRD-8805872 Martin W. Johnston
Commissioner
Texas Department of Human Services

Filed: June 7, 1988.

For further information, please call (512) 463-3765

State Board of Insurance Company Licensing

The following applications have been filed with the State Board of Insurance and are under consideration: 1. Application for a name change by Western Bancorporation Life Insurance Company, a domestic casualty insurance company. The home office is in Houston. The proposed new name is Great National Life Insurance Company. 2. Application for a name change by Motor Vehicle Casualty Company, a foreign casualty insurance company. The home office is in Matteson, Illinois. The proposed new name is Edison Insurance Company. 3. Application for admission to do business in Texas of Physicians National Risk Retention Group, Inc., a foreign risk retention group. The home office is in Baton

Rouge, Louisiana. 4. Application for admission to do business in Texas of American Family Home Insurance Company, a foreign casualty insurance company. The home office is in Jacksonville, Florida. 5. Application for admission to do business in Texas of American Warranty Corporation, a foreign third party administrator. The home office is in Lincolnwood, Illinois.

Issued in Austin, Texas, on June 7, 1988.

TRD-8805891 Nicholas Murphy
Chief Clerk
State Board of Insurance

Filed: June 7, 1988

For further information, please call (512) 463-6327.

Texas Medical Disclosure Panel Correction of Error

The Texas Medical Disclosure Panel submitted a miscellaneous item which contained an error as published in the May 27, 1988, issue of the *Texas Register* (13 TexReg 2634).

The last paragraph to the Medical Treatment and Surgical Procedures should appear as:

Medical Treatment and Surgical Procedures Established by the Texas Medical Disclosure Panel

§601.1. Procedures Requiring Full Disclosure (List A). The following treatments and procedures require full disclosure by the physician or health care provider to the patient or person authorized to consent for the patient.

(1)-(16) (No change.)

(17) Psychiatric Procedures.

(1) Electroconvulsive therapy with modification by intravenous muscle relaxants and sedatives.

(1) Memory changes of events prior to, during, and immediately following the treatment.

(2) Fractures of dislocations of bones.

(3) Significant temporary confusion requiring special care.

Texas Water Commission Notice of Application For Waste Disposal Permit

Notice is given by the Texas Water Commission of public notices of waste disposal permit applications issued during the period of May 30-June 3, 1988.

No public hearing will be held on these applications unless an affected person has requested a public hearing. Any such request for a public hearing shall be in writing and contain the name, mailing address, and phone number of the person making the request; and a brief description of how the requester, or persons represented by the requester, would be adversely affected by the granting of the application. If the commission determines that the request sets out an issue which is relevant to the waste discharge permit decision, or that a public hearing would serve the public interest, the commission shall conduct a public hearing, after the issuance of proper and timely notice of the hearing. If no sufficient request for hearing is received within 30 days of the date of publication of notice concerning the applications, the permit will be submitted to the commission for final decision on the application.

Information concerning any aspect of these applications

may be obtained by contacting the Texas Water Commission, P.O. Box 13087, Capitol Station, Austin, Texas 78711, Telephone (512) 463-7905.

Listed are the name of the applicant and the city in which the facility is located, type of facility, location of the facility, permit number, and type of application—new permit, amendment, or renewal.

Richey Road Municipal Utility District, Houston; wastewater treatment plant; three miles south-southwest of the City of Westfield in Harris County; 12378-01 and 12378-02; renewals.

Brazoria County Fresh Water Supply District Number 1, Damon; wastewater treatment plant; on the east side of State Highway 36, approximately 1,100 feet southeast of the intersection of FM Road 1462 and State Highway 36, northeast of the City of Damon, Brazoria County; 11130-01; amendment.

Albert H. Korenek, doing business as Country Oaks Arbor MHP, Houston; wastewater treatment facilities; at 3318 County Road 89, approximately 1 1/3 miles southwest of the intersection of FM Road 1128 and FM Road 518 in Brazoria County; 12680-01; renewal.

City of Cotulla; wastewater treatment facilities; approximately 1.1 miles southeast of the intersection of United States Highway-Business 81 and State Highway 97 in the City of Cotulla, in LaSalle County; 10153-01; renewal.

City of Lufkin; wastewater treatment plant; approximately 1,600 feet northwest of the point where Hurricane Creek intersects FM Road 324 and south of the City of Lufkin, Angelina County; 10214-01; renewal.

Empak, Inc., Deer Park; wastewater treatment plant; at the Paktank Terminal, 2759 Battleground Road (FM Road 134) in the City of Deer Park, Harris County; 01731; renewal.

Northwest Harris County Municipal Utility District Number 12, Houston; wastewater treatment facilities; approximately 2.5 miles southeast of the intersection of Stockdick Road and FM Road 529 (Freeman Road), two miles south of Settlers Village, two miles northwest of the intersection of Clay Road and Barker-Cypress Road in Harris County; 11991-01; renewal.

Harris County Municipal Utility District Number 119, Houston; wastewater treatment facilities; on a Harris County flood control drainage ditch on the east side of the North Houston-Rosslyn Road and FM Road 149 in Harris County; 12714-01; renewal.

Exxon Company, United States of America, Baytown; integrated petroleum refinery and organic chemical manufacturing facility; at 2800 Decker Drive in the City of Baytown, Harris County; 00592; renewal.

City of Denton; wastewater treatment facilities; east of the City of Denton along Pecan Creek, which is approximately 5,700 feet east of State Highway 288 and two miles upstream from Lake Lewisville in Denton County; 10027-03; renewal.

P and C Enterprises, Inc., West Columbia; wastewater treatment facilities; approximately four miles southwest of the City of West Columbia and in the east corner of the intersection of State Highway 35 and FM Road 1459 in Brazoria County; 12604-01; renewal.

Texas D and H Ventures, Inc., Houston; wastewater treatment facilities; at 1719 Gault Road, approximately 1,200 feet west of the intersection of Gault Road and Aldine-Westfield Road in Harris County; 12617-01; renewal.

Grace Presbytery, Inc., Dallas; sewage treatment plant; on

Copper Canyon Road, at a point approximately one mile north of the intersection of FM Road 407 and Copper Canyon Road in Denton County; 12605-01; renewal.

Montgomery County Municipal Utility District Number 8, Houston; wastewater treatment plant; approximately six miles northwest of the City of Conroe, approximately 300 feet east of the Lake Conroe shoreline on the north side of Old River Road in the eastern section of the Walden Subdivision in Montgomery County; 11371-01; renewal.

City of Friendswood/Gulf Coast Waste Disposal Authority, Houston; wastewater treatment plant; at 3902 West Bay Area Boulevard on the northeast bank of Clear Creek, approximately three miles southwest of Interstate Highway 45 at the NASA One Road exit in Harris County; 11571-01; renewal.

Harris County Municipal Utility District Number 58, Houston; wastewater treatment plant; approximately 1,100 feet west of Kuykendahl Road and 2,250 feet south of FM Road 1960 on the north and south sides of Bammel Village Drive in Harris County; 11941-01; renewal.

Bi-Stone Municipal Water Supply District (Amended Notice), Mexia; wastewater treatment facilities; approximately one mile north of the intersection of State Highway 164 and FM Road 39 in Limestone County; 02587-01; amendment.

Baker Performance Chemicals, Inc., Baker Oil Treating Odessa Facility, Houston; former oilfield chemical bulk storage, blending and drumming facility; on East Hillmont Road, approximately 3/4 mile east of Highway 385 (Andrews Highway) and 1 1/4 miles north of Yukon Road in Ector County; 02990; new.

Southwestern Electric Power Company, Hallsville; steam electric station; adjacent to Red Oak Road, at a point approximately six miles southeast of the City of Hallsville, Harrison County; 02496; renewal.

Lafarge Corporation, Dallas; wastewater treatment plant; approximately 3,600 feet northwest of the United States Highway 80/Westmoreland Avenue intersection in the City of Dallas, Dallas County; 01730; amendment.

Brittmoore-Tanner Business Park, Ltd., Houston; wastewater treatment facilities; approximately 1/2 mile southwest of the intersection of Brittmoore Road and Tanner Road, approximately 4 1/2 miles north of Interstate Highway 10 in Harris County; 12689-01; renewal.

Exxon Baytown Credit Union, Baytown; wastewater treatment plant; at 3806 FM Road 1942 in Harris County; 12691-01; renewal.

Langham Creek Utility District, Houston; wastewater treatment facilities; at 17255 Glenmorris Drive, along the south bank of Langham Creek, approximately one mile south of FM Road 529 and 1 1/4 mile west of Highway 6 in Harris County; 11682-01; renewal.

Lanson, Inc., Lufkin; wastewater treatment facilities; on a county road halfway between FM Road 325 and State Highway 103, at a point approximately .6 mile east of State Loop 287 in Angelina County; 11949-01; renewal.

City of McLean; wastewater treatment facility; approximately one mile south of Interstate Highway 40 and 1/4 mile southeast of the city limits of the City of McLean, Gray County; 10354-01; amendment.

John Bloemhof, doing business as J and P Dairy, Stephenville; dairy operation; approximately 2.9 miles south of Stephenville on United States Highway 67, approximately 1.6 miles east of the intersection of United States Highway 281 and United States Highway 67 in

Erath County; 02997; new.

Monterey Mushrooms, Inc., Madisonville; mushroom farm; adjacent to United States Highway 75, approximately seven miles east of the intersection of State Highway 90 and FM Road 1452; approximately seven miles southeast of the City of Madisonville, Madison County; 01896; renewal.

United States Proteins Corporation, Galveston; fish meal and fish oil processing plant; on Pelican Island, adjacent to the Galveston Ship Channel, approximately 1/2 mile east of the Texas A&M University of Galveston, Galveston County; 02999; new.

Lackland City Water Company, San Antonio; wastewater treatment facilities; approximately 1/4 mile south of United States Highway 90 and 1/4 mile west of Interstate Highway 410 near Medina Base Road in Bexar County; 10212-01; renewal.

Harris County Municipal Utility District Number 216, Houston; wastewater treatment facilities; adjacent to and south of the feeder road for Interstate Highway 10, approximately .6 mile east of Barker Cypress Road and approximately two miles west of State Highway 6 in Harris County; 12682-01; renewal.

City of Fort Stockton; treatment facilities; northeast of the City of Fort Stockton at a site approximately one mile east of FM Road 1053 and two miles north of United States Highway 290 in Pecos County; 10708-01; amendment.

Issued in Austin, Texas, on June 3, 1988.

TRD-8805895

Karen A. Phillips
Chief Clerk
Texas Water Commission

Filed: June 7, 1988

For further information, please call (512) 463-7906

