



Texas Register

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Texas Register

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Withdrawn Sections—sections withdrawn by state agencies from consideration for adoption, or automatically withdrawn by the *Texas Register* six months after proposal publication date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

Open Meetings—notices of open meetings

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).



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Subscriptions—one year (96 regular issues), \$90; six months (48 regular issues and two index issues), \$70. Single copies of most issues are available at \$4 per copy.

4911-University System of South Texas

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In Addition

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Ceiling on Certain Private Activity Bonds

Texas Commission for the Deaf

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State Department of Highways and
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State Board of Insurance

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Texas Racing Commission

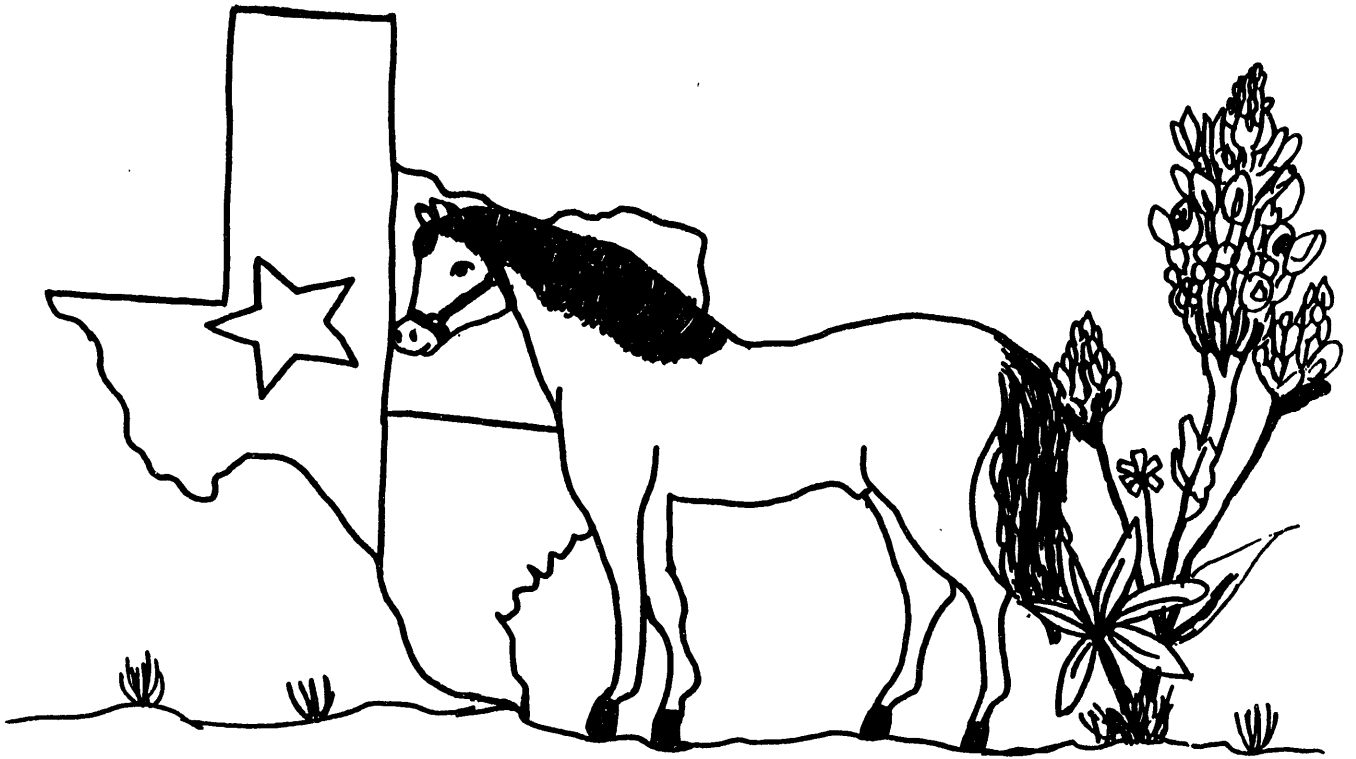
4914-Correction of Errors

Railroad Commission of Texas

4914-Correction of Error

Texas Water Commission

4914-Notice of Application For Waste Disposal Permit



Name; Sacha Hilbert
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TAC Titles Affected

TAC Titles Affected—October

The following is a list of the administrative rules that have been published this month.

TITLE 7. BANKING AND SECURITIES

Part IV. Texas Savings and Loan Department

- 7 TAC §§51.14, §51.15—4887
- 7 TAC §§53.4, 53.6, 53.8, 53.10, 53.17, 53.18—4887
- 7 TAC §§55.1, 55.2, 55.7—4889
- 7 TAC §§57.1, §57.3—4889
- 7 TAC §§63.9, §63.10—4890
- 7 TAC §63.14—4890
- 7 TAC §64.8—4891
- 7 TAC §65.3—4892
- 7 TAC §§65.5-65.9, 65.13-65.16—4892
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- 7 TAC §§65.19, §65.21—4895
- 7 TAC §65.22—4896
- 7 TAC §65.23—4896
- 7 TAC §69.11—4897
- 7 TAC §71.3—4897

7 TAC §71.8—4898

7 TAC §§73.1, 73.2, 73.5—4898

TITLE 13. CULTURAL RESOURCES

Part IV. Texas Antiquities Committee

13 TAC §§43.1-43.3—4903

13 TAC §§43.53, 43.55, 43.59, 43.67, 43.81, 43.87, 43.89, 43.93, 43.111, 43.125, 43.127, 43.159, 43.181, 43.191, 43.203, 43.227—4903

13 TAC §43.183—4903

13 TAC §43.241, §43.242—4904

TITLE 31. NATURAL RESOURCES AND CONSERVATION

Part II. Texas Parks and Wildlife Department

31 TAC §65.261—4904

Part IV. School Land Board

31 TAC §155.10—4899

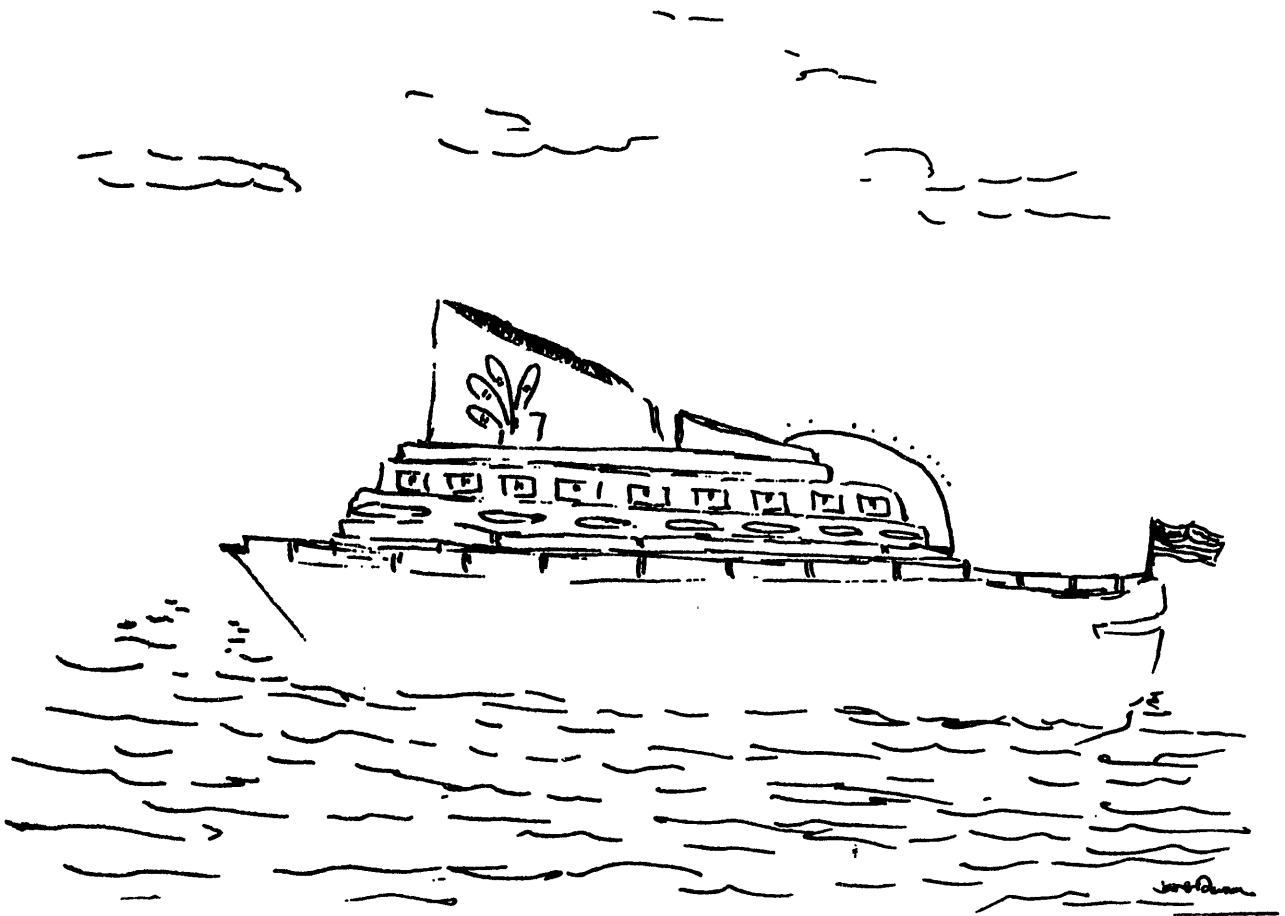
TITLE 40. SOCIAL SERVICES AND ASSISTANCE

Part I. Texas Department of Human Services

40 TAC §27.3007—4904

40 TAC §72.601—4900

◆ ◆ ◆



Name: Carl Dumas

Grade: 11

School: Texas School for the Deaf

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 7. BANKING AND SECURITIES

Part IV. Texas Savings and Loan Department

Chapter 51. Charter Applications

• 7 TAC §51.14, §51.15

The Texas Savings and Loan Department proposes new §51.14 and §51.15, concerning the application process for licenses or other forms of authority granted by the savings and loan commissioner.

The sections provide a period of time within which the commissioner must issue a written notice informing the applicant that the application is complete and accepted for filing, or that the application is deficient, setting out specific additional information that is required. The sections also establish a process for appeals directly to the commissioner for a timely resolution of any dispute arising from a violation of the periods set forth in this title. The sections also include the applicant's entitlement to reimbursement of filing fees, if any, if the commissioner fails to show good cause for exceeding the periods established by the rules. As required by House Bill 5, the commissioner has determined minimum, maximum, and median times for processing completed applications for various forms of authority to engage in particular activities issued by the commissioner, based upon his experience within either the 90 day period beginning June 1, 1988, and ending August 31, 1988, or for periods up to one year preceding August 31, 1988, if the longer period was necessary to establish actual processing times. For administrative office applications the periods experienced were one day minimum, 23 days maximum, and four days median. For charter applications for new associations the periods experienced were 104 days minimum, 202 days maximum, and 184 days median. (No new charter applications have been filed within the past three years. Accordingly, the time periods set forth are based on actual experience for calendar year 1984). For additional office applications, which include branch offices, loan offices, and agencies, the periods experienced were 39 days minimum, 100 days maximum, and 57 days median. For remote service unit(s) applications the periods experienced were 15 days minimum, 33 days maximum, and 28 days median. For office relocation applications the periods experienced were 28 days minimum, 125 days maximum, and 59 days median. For merger, reorganization, or consolidation applications the periods experienced were 22 days minimum, 125 days

maximum, and 60 days median. For change of control applications the periods experienced were 53 days minimum, 189 days maximum, and 99 days median. For change of name applications the periods experienced were 34 days minimum, 73 days maximum, and 43 days median. For amendments to articles and bylaws the periods experienced were one day minimum, 60 days maximum, and 12 days median. For capital obligation applications and applications for subsidiaries and subsidiary investments the periods experienced were one day minimum, 73 days maximum, and 16 days median.

James L. Pledger, Texas savings and loan commissioner, 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 government or small businesses as a result of enforcing or administering the sections.

Mr. Pledger 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 a specific period of time in which the commissioner must issue written notice that the application is complete or that additional information is required. The sections also establish a procedure for appeals and include applicant's entitlement to reimbursement of filing fees, if any. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new sections are proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8:01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner and Texas Civil Statutes, Article 6252-13b.1, §§1-7, which requires the Savings and Loan Section to adopt rules regarding the procedures by which the commissioner processes applications and issues licenses or other forms of authority.

§51.14. Notice to Applicants. Within 20 days of receipt of an application for any form of authorization to be granted by the commissioner pursuant to this title, the

commissioner shall issue a written notice to the applicant informing the applicant either that the application is complete and accepted for filing, or that the application is deficient and that specific additional information is required.

§51.15. Appeals.

(a) An applicant may appeal directly to the commissioner for a timely resolution of a dispute arising from a violation of the time periods set forth in this title. An applicant shall perfect an appeal by filing a written request therefore within 30 days of the date a decision is made on the application by the commissioner, addressed to the commissioner, requesting review of the application to determine whether the established period for the granting or denying of the application was exceeded. The commissioner shall base his decision on the written appeal filed by the applicant, the application and all data, correspondence, and other information related thereto, and the record of any hearing held on such application.

(b) The commissioner shall decide the appeal in the applicant's favor if he determines that the time periods set forth in this title were exceeded without good cause. The commissioner shall issue a written decision to the applicant within 90 days of the filing of an appeal. If an appeal is decided in the applicant's favor, the applicant shall be reimbursed all of its application fees.

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 September 26, 1988.

TRD-8809951

James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 53. Additional Offices

• 7 TAC §§53.4, 53.6, 53.8, 53.10, 53.17, 53.18

The Texas Savings and Loan Department

proposes amendments to §§53.4, 53.6, 53.8, 53.10, 53.17, and 53.18, concerning establishment and operation of additional offices. The sections set forth the substantive criteria which must be satisfied in order to establish a branch office, loan office, or mobile facility, specify certain conditions under which the commissioner may exempt a purchase of an additional office from certain procedural requirements by designating it a supervisory purchase, and provide a procedure for temporary closing of an additional office.

James L. Pledger, Texas savings and loan commissioner, 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 government as a result of enforcing or administering the sections. There will be no additional cost of compliance over and above the filing fees already required apply equally to small and large associations.

Mr. Pledger 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 that the amended sections will give the commissioner additional discretion in the approval of additional offices, provide for notification to the commissioner of temporary closing of additional offices, and will add federal receivership as a condition for designating a supervisory purchase of additional offices. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Savings and Loan Commissioner, 2601 North Lamar Boulevard, Austin, Texas 78705, or hand-delivered to the same address.

The amendments are proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of this state and, from time to time, amend same, and Texas Civil Statutes, Article 852a, §8.01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to procedure for processing, hearing, and deciding applications filed with the commissioner.

§53.4. Findings Necessary for Approval of Branch Office. The commissioner may [shall] approve an application for a branch office if he shall have affirmatively found from the data furnished with the application, the evidence adduced at the hearing, and his official records that:

(1) the applying association has had no supervisory problems which would affect its ability to properly operate such office, provided that nothing in this subsection shall prevent the commissioner from approving an application where the applying association is not in compliance with the minimum net worth requirements set forth in this title if the commissioner shall have affirmatively found that the establishment of such office is in the applying association's best interest;

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

(6) the facility will commence operation within a period of 12 months after the date of approval unless an extension is granted, in writing, by the commissioner. No more than one 12-month extension will be approved by the commissioner, [.] unless good cause for such extension is shown. At the end of any approved [the first] extension, if the office has not been opened, the authority for such office shall be forfeited.

(7) (No change.)

§53.6. Findings for Approval of Loan Office. The commissioner may [shall] approve an application for a loan office if he shall have affirmatively found from the data furnished with the application, the evidence adduced at the hearing, and his official records, all of the findings necessary for approval of a branch office, and that the applying association will have adequate income to support the proposed operation.

§53.8. Mobile Facility Application; Operation of Mobile Facility; Notice; Publication; Hearing. In order to obtain permission to establish a mobile facility, the following procedures and conditions shall apply:

(1)-(8) (No change.)

(9) An application for permission to establish a mobile facility may [shall] be approved only if the commissioner shall have affirmatively found from the data furnished with the application, the evidence adduced at the hearing, and his official records, all of the findings necessary for approval of a branch office.

§53.10. Designation as Supervisory Sale. The commissioner may designate a purchase of additional offices and/or assets by an association from another association to be a supervisory purchase when:

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

(3) the Federal Home Loan Bank Board has determined and notified the commissioner that one or more of the grounds specified in the Home Owner's Loan Act of 1933 for appointment of a conservator or receiver exist with respect to the selling association, or that the proposed transaction is necessary to prevent the failure or possible failure of the selling association. For purposes of this section, the term "unsafe condition" shall mean that the selling association is insolvent or is in imminent danger of insolvency, or that there has been a substantial dissipation of assets or earnings due to any violation or violations of applicable law, rules, or regulations, or to any unsafe or unsound condition to transact business in that there has been a substantial reduction of its net worth; or that the association and its directors and

officers have violated any material condition of its charter or bylaws, the terms of any order issued by the commissioner or any agreement between the association and the commissioner; or that the association, its directors, or officers have concealed or refused to permit examination of the books, papers, accounts, records, and affairs of the association by the commissioner or other duly authorized personnel of the Savings and Loan Department; or any other conditions affecting the association which the commissioner and the board of directors of the association agree place the association in an unsafe condition.

§53.17. Temporary Closing of Additional Offices. In the event an association closes any additional office of any type on a temporary basis, said office must be reopened within 12 months or less. In the event such office is not reopened within the allotted 12-month period, such authorization for the office shall be forfeited. Written notice of any temporary closing shall be furnished to the commissioner within 10 days of such closing, and no additional office shall be deemed to have reopened until the commissioner receives written notification of such reopening.

§53.18. Offices and Remote Service Units in Other States or Territories. To the extent permitted by the laws of the state or territory in question, and subject to this chapter, an association may establish branch offices, loan offices, and remote service units in any state or territory of the United States. Each application for permission to establish such a branch office, loan office, or remote service unit shall comply with the applicable requirements of this chapter, and shall include a certified copy of an order from the appropriate state or territorial regulatory authority approving the office or unit, or other evidence satisfactory to the commissioner that all state or territorial regulatory requirements had been satisfied. Each such application shall be set for hearing, if applicable, notice given, hearing held, if applicable, and decision reached in the same manner and within the time provided in this chapter for similar applications for offices or units in this state. The commissioner may [shall] approve such an application if he shall have affirmatively found from the data furnished with the application, the evidence adduced at the hearing, if applicable, and his official records that all requirements of this chapter applicable to the office or unit have been met, and that all applicable requirements of the laws of the state or territory in question have been met.

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 September 26, 1988.

TRD-8809950

Laura M. Hale
General Counsel
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 55. Agencies

• 7 TAC §§55.1, 55.2, 55.7

The Texas Savings and Loan Department proposes amendments to §§55.1, 55.2, and 55.7 concerning applications for agencies and the approval therefore. The sections set forth the substantive criteria which must be satisfied in order to establish loan agencies and savings agencies, both in Texas and in other states or territories. The proposed amendments will give the commissioner additional discretion in approving or disapproving such agencies.

James L. Pledger, Texas savings and loan commissioner, 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 government as a result of enforcing or administering the sections. There will be no additional cost of compliance over and above the filing fees already required. The filing fees already required apply equally to small and large associations.

Mr. Pledger 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 that the sections will allow the commissioner more discretion in determining whether or not to approve an application for a loan agency or savings agency in Texas and other states or territories. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new sections are proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner or the Savings and Loan Department pursuant to the Texas Savings and Loan Act.

§55.1. Qualification and Appointment of Agents for Loan Functions. An association may, with the prior written approval of the commissioner, appoint an agent or

agents, whose functions shall be limited to the receipt of applications for loans, and the servicing of loans and contracts. The commissioner may [shall] approve such an application if he shall have found from the data furnished with the application, the evidence adduced at the hearing, and his official records all of the findings necessary for approval of a branch office. Agency means any lawful arrangement whereby any business of an association is conducted other than by regularly employed personnel of the association. An agent appointed under the authority of this section shall not receive payments on new or established savings accounts, or pay out withdrawals of monies from savings accounts, nor shall he perform any duties for the association other than those specifically authorized in this section. The restrictions placed on the authority of an agent by this section will not prohibit the board of directors of an association from otherwise appointing and designating such agent as an appraiser for the association.

§55.2. Qualification and Appointment of Agents for Savings Functions. Agencies for receiving savings for and on behalf of an association, including applications for new accounts, in addition to performing the functions allowed in §55.1 of this title (relating to Qualification and Appointment of Agents for Loan Functions) may be established with the prior approval of the commissioner. The commissioner may [shall] approve such an application if he shall have found from the data furnished with the application, the evidence adduced at the hearing, and his official records all of the findings necessary for approval of a branch office, and that the procedure to be followed in regard to the safeguarding of funds belonging to the applying association is adequate.

§55.7. Agencies in Other States or Territories. To the extent permitted by the law of the state or territory in question, and subject to this chapter, an association may appoint an agent or establish the type of agencies described in this chapter in any state or territory of the United States. Each application for permission to appoint or establish such an agency shall comply with the applicable requirements of this chapter, and shall include a certified copy of an order from the appropriate state or territorial regulatory authority approving the agency, or other evidence satisfactory to the commissioner that all state or territorial regulatory requirements have been satisfied. Each such application shall be set for hearing, notice given, hearing held, and decision reached in the same manner and within the time provided in this chapter for similar applications for agencies in this state. The commissioner may [shall] approve such an application if he shall have affirmatively found from the data furnished with the application, the evidence adduced at the hearing, and his official records, that all requirements of this

chapter have been met and that all applicable requirements of the laws of the state or territory in question have been met.

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 September 26, 1988.

TRD-8809949

James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 57. Change of Office Location or Name

• 7 TAC §57.1, §57.3

The Texas Savings and Loan Department proposes amendments to §57.1 and §57.3, concerning change of office location or name. The sections set forth the substantive criteria which must be satisfied in order to relocate an office or change an association's name. The proposed amendments will give the commissioner additional discretion in these matters and will require that an office be open for business in its present location for two years before it may be relocated within the immediate vicinity.

James L. Pledger, Texas savings and loan commissioner, 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 government as a result of enforcing or administering the sections. The cost of compliance with the sections for small businesses will be filing the fees already required for these applications and compiling the information necessary to meet the substantive criteria. The cost of compliance for small savings and loan associations, consisting of the costs outlined previously, will be the same as for large associations.

Mr. Pledger 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 that the amended sections will allow the commissioner more discretion in determining whether or not to approve an application for an office relocation or change of name, and will require an association to be open for business in a location for two years before it may relocate within the immediate vicinity. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The amendments are proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to

promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and from time to time, amend same, and under Texas Civil Statutes, Article 852a, §8.01(2), which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to procedure for processing, hearing, and deciding applications filed with the commissioner.

§57.1. Change of Office Location Not Requiring Approval; Application for Change of Location; Findings for Approval.

(a) An association may not move any office beyond its immediate vicinity without prior approval of the commissioner. Immediate vicinity means the area included within a radius or distance of one mile from the present location of such office. Any relocation within the immediate vicinity as defined in this section will require the approval of the commissioner, if the office to be relocated has not been open for business [operating] at its present location for more than two years. [The conditions outlined in this section shall be applicable to an existing office or an approved location not previously opened for business.]

(b) (No change.)

(c) The commissioner may [shall] approve an application to move or relocate any office of an association, if he shall have found from the data furnished with the application, the evidence adduced at the hearing, and his official records, all of the findings necessary for approval of a branch office, as contained in §53.4 of this title (relating to Findings Necessary for Approval of Branch Office).

§57.3. Change of Name. An association may not change its name without the prior approval of the commissioner, and an association may not operate under any name which has not been approved by the commissioner pursuant to this section. The commissioner may [shall] approve an application by an association to change its name if he shall have found from the data furnished with the application, the evidence adduced at the hearing, and his official records that the proposed change of name meets the applicable requirements of the Texas Savings and Loan Act and this chapter, and does not violate other applicable 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 September 26, 1988.

TRD-8809948

Laura M. Hale
General Counsel
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 63. Fees and Charges

• 7 TAC §63.9, §63.10

The Texas Savings and Loan Department proposes amendments to §63.9 and §63.10, concerning additions of fees for reorganization merger and consolidation under the Texas Savings and Loan Act, §2.13, and for remote service unit applications. The sections will provide recovery costs incurred in connection with the review, investigation, and processing of these applications.

James L. Pledger, Texas savings and loan commissioner, has determined that there will be fiscal implications for state government and small businesses as a result of enforcing or administering the sections. The effect on state government for the first five-year period the sections will be in effect is an estimated increase in revenue of \$14,000 for fiscal years 1989-1993. The cost of compliance with the sections for small businesses will be \$500 for application for a remote service unit and \$2,000 for each association in a merger, plus \$200 for each branch office of each association. The cost of compliance for small savings and loan associations, consisting of the costs outlined previously will be the same as for large associations.

Mr. Pledger 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 that sections will allow the agency to recover the costs incurred in the processing of remote service applications and merger applications under the Texas Savings and Loan Act, §2.13. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The amendments are proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, amend same, and under Texas Civil Statutes, Article 852a, §8.01(2), which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner.

§63.9. Fee for Reorganization, Merger, and Consolidation.

(a) Any association seeking to reorganize, merge, and/or consolidate, pursuant to the Texas Savings and Loan Act, §10.03 [] or §2.13, and Chapter 69 (reorganization, merger, and consolidation) shall pay to the commissioner, at time of filing its plan, a fee determined as follows:

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

(b) (No change.)

§63.10. Fee for Remote Service Unit Applications. Applicants for a remote service unit under Chapter 53 shall pay a fee of \$500 per application. This fee shall be paid at the time of filing and shall include the cost for filing and processing said application. [The commissioner may collect a fee to be determined by resolution of the Savings and Loan Section of the Finance Commission of Texas.]

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 September 26, 1988.

TRD-8809947

Laura M. Hale
General Counsel
Texas Savings and Loan
Association

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

• 7 TAC §63.14

The Texas Savings and Loan Department proposes new §63.14, concerning a filing fee for conversion to federal charter. The section will provide recovery of costs incurred in connection with the review, investigation, and processing of the application for conversion to a federal charter.

James L. Pledger, Texas savings and loan commissioner, has determined that 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 will be an estimated additional cost of \$10,000 in each fiscal year of 1989-1993.

The cost of compliance with the section for small businesses will be the same for all associations, large and small. The fee will be \$5,000 for each application for a state-chartered association to convert to a federal charter. The cost of compliance for small savings and loan associations, consisting of the costs outlined above, will be the same as for large associations.

Mr. Pledger also has determined that for each year of the first five years the section as proposed is in effect the public benefit anticipated as a result of enforcing the section will be to allow the agency to recover the costs incurred in the processing of applications for state-chartered associations to convert to a federal charter. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new section is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to

promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner.

§63.14. Fee for Conversion to Federal Charter. The commissioner shall collect a filing fee of \$5,000 for each application filed pursuant to Chapter 69 (Reorganization, Merger, Consolidation, Acquisitions, and Conversions) for conversion to a federal charter.

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 September 26, 1988.

TRD-8809946 James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

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**Chapter 64. Books, Records,
Accounting Practices,
Financial Statements,
Reserves, Net Worth**

• 7 TAC §64.8

The Texas Savings and Loan Department proposes new §64.8 concerning waiver of minimum net worth requirements. This section gives the commissioner the authority to waive minimum net worth requirements where an association is well managed and where its failure to meet the minimum net worth requirement is not due to unsafe and unsound practices. The section requires the applying association to submit a plan for restoring the minimum net worth within a reasonable time and imposes quarterly reporting requirements concerning the association's progress in implementing its capital plan.

James L. Pledger, Texas savings and loan commissioner, 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 as a result of enforcing or administering the section.

Mr. Pledger 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 that the section provides the commissioner with more flexibility and discretion in supervising Texas-chartered savings and loan associations and enforcing the Savings and Loan Act and the rules of the Texas Savings and Loan Department. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new section is proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner.

§64.8. Waiver of Minimum Net Worth Requirements.

(a) The commissioner may waive or vary the minimum net worth requirement set forth in this chapter, upon written application by an association, if the commissioner shall have affirmatively found from the application and the data submitted therewith that:

(1) the association's failure to meet the minimum net worth requirements is not due to unsafe and unsound practices in the conduct of the affairs of the association, a violation of any provision of the articles of incorporation or bylaws of the association, or a violation of any law, rules, or supervisory order applicable to the association or any condition that the commissioner has imposed on the association by written order or agreement. For purposes of this chapter, unsafe and unsound practices shall mean, with respect to the operation of an association, any action or inaction that is likely to cause insolvency or substantial dissipation of assets or earnings or to otherwise reduce the ability of the association to timely satisfy withdrawal requests of savings account holders, including, without being limited to, excessive operating expenses, excessive growth, highly speculative ventures, excessive concentrations of lending in any one area, and nonexistent or poorly follow lending and underwriting policies, procedures, and guidelines;

(2) the association is well managed. In determining whether the applying association is well managed, the commissioner may consider:

(A) management's record of operating the association;

(B) management's record of compliance with laws, regulations, directives, orders, and agreements;

(C) management's timely recognition and correction of regulatory violations, unsafe and unsound practices, or

other weaknesses identified through the examination or supervisory process;

(D) management's ability to operate the association in changing economic conditions; and

(E) such other factors as the commissioner may deem necessary to properly evaluate the quality of the association's management.

(3) The association has submitted a plan acceptable to the commissioner for restoring net worth within a reasonable period of time. Such plan shall describe the means and schedule by which net worth will be increased. The plan shall also specifically address restrictions on dividend levels; compensation of directors, executive officers, or individuals having a controlling interest; asset and liability growth; and payment for services or products furnished by affiliated persons as defined in Chapter 65 (Loans and Investments). The plan shall provide for improvement in the association's net worth on a continuous or periodic basis from earnings, capital infusions, liability and asset shrinkage, or any combination thereof. A plan that projects no significant improvement in net worth until near the end of the waiver or variance period or that does not appear to the commissioner to be reasonably feasible will not be acceptable. The commissioner may require modification of the association's plan in order for the association to receive or to continue to receive such waiver or variance.

(b) Any association which receives a waiver or variance of the minimum net worth requirement from the commissioner must file quarterly progress reports regarding compliance with its capital plan. The commissioner may require more frequent reports. Any contemplated action that would represent a material variance from the plan must be submitted to the commissioner for approval.

(c) With respect to the granting of any waiver or variance of the minimum net worth requirement, the commissioner may impose any condition, limitation, or restriction on such waiver or variance as the commissioner may deem necessary to ensure compliance with law and regulations and to prevent unsafe and unsound practices.

(d) The commissioner may withdraw any waiver or variance granted pursuant to this section if:

(1) the institution fails to comply with its capital plan;

(2) the waiver or variance was granted contingent upon the occurrence of events that do not subsequently occur;

(3) the association undergoes a change of control or a material change in management that was not approved by the commissioner;

(4) the association engages in practices inconsistent with achieving its minimum net worth requirement;

(5) information is discovered that was not made available to the commissioner at the time that the waiver or variance was granted and that indicates that the waiver or variance should not have been granted;

(6) the association engages in unsafe and unsound practices, violates any provision of its articles of incorporation or bylaws, or violates any law, rule, or supervisory order applicable to the association or any condition that the commissioner has imposed upon the association by written order or agreement; or

(7) the association fails to submit the reports required by this section.

(e) While a waiver or variance granted by the commissioner pursuant to this section is in effect, the commissioner shall not institute any supervisory or enforcement action to enforce the association's minimum net worth requirement, provided that nothing in this section shall prevent the commissioner from instituting supervisory or enforcement action against the association with respect to any matter other than the association's failure to meet its minimum net worth requirement.

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 September 26, 1988.

TRD-8809945 James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 65. Loans and Investments

• 7 TAC §65.3

The Texas Savings and Loan Department proposes an amendment to §65.3, concerning definitions of words and terms when used in this chapter. The amendment changes the definition of "affiliated person" to delete the single household requirement for immediate family members and adds definition of "controlling person", "holding company affiliate", and "subsidiary" previously absent in the section.

James L. Pledger, Texas savings and loan commissioner, 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. Pledger 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 to strengthen the definition of affiliated person and to eliminate ambiguities by specifically defining certain terms.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand delivered to the same address.

The amendment is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to the powers of Texas chartered associations to make loans and investments.

§65.3. Definitions. The following words and terms, when used in this chapter shall have the following meanings:

Affiliated person—A director, officer, or controlling person of an association; a spouse of a director, officer, or controlling person of an association; a member of the immediate family of a director, officer, or controlling person of such association; [.] [who has the same home as such person or who is a director or officer of any subsidiary of such association or of any holding company affiliate of such association;] any corporation or organization (other than the association or a subsidiary of the association) [corporation or organization through which the association operates] of which a director, officer, or controlling person of such association is chief executive officer, chief financial officer, or a person performing similar functions, is a general officer, or a person performing similar functions is a general partner, is a limited partner who, directly or indirectly either alone or with his spouse and the members of his immediate family. [who are also affiliated persons of the association,] owns an interest of 10% or more in the partnership (based on the value of his contribution) or who, directly or indirectly with other directors, officers, and controlling persons of such association and their spouses and their immediate family members. [who are also affiliated persons of the association,] owns an interest of 25% or more in the partnership; or directly or indirectly either alone or with his spouse and the members of his immediate family, [who are also affiliated persons of the association,] owns or controls 10% or more of any class of equity securities or owns or controls with other directors, officers, and controlling persons of such association and their spouses and their immediate family members, [who are also affiliated persons of the association,] 25% or more of any

class of equity securities; and any trust or other estate in which a director, officer, or controlling person of such association or a member of his immediate family has such association or a member of his immediate family has a substantial beneficial interest or as to which such person or his spouse serves as trustee or in a similar fiduciary capacity.

Controlling person—Any person or entity which, either directly or indirectly, or acting in concert with one or more other persons or entities, owns, controls, or holds with power to vote, or holds proxies representing 25% or more of the voting shares or rights of an association; or controls in any manner the election or appointment of a majority of the directors of an association. A director of an insured institution will not be deemed to be a controlling person of such institution based upon his voting, or acting in concert with other directors in voting, proxies obtained in connection with an annual solicitation of proxies or obtained from savings account holders and borrowers if such proxies are voted as directed by a majority vote of the entire board of directors an association, or of a committee of such directors if such committee's composition and authority are controlled by a majority vote of the entire board and if its authority is revocable by such a majority.

Holding company affiliate—A corporation of which an association is a subsidiary and any other subsidiary of such corporation other than a subsidiary of the association.

Subsidiary—A subsidiary of an association shall have the meaning prescribed in §73.1 of this title (relating to Subsidiary Corporations) .

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 September 26, 1988.

TRD-8809944 James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

• 7 TAC §§65.5-65.9, 65.13-65.16

The Texas Savings and Loan Department proposes amendments to §§65.5-65.9, and 65.13-65.16 concerning residential real estate loans, commercial real estate loans, unimproved real estate loans, personal property loans, oil and gas loans, manufactured home loans, home improvement loans, acquisition, development and construction loans, and interim construction loans. The proposed

amendments to these sections change the loan to value ratios.

James L. Pledger, Texas Savings and Loan Commissioner, 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 government or small businesses as a result of enforcing or administering the sections. The cost of compliance for small savings and loan associations will be the same as for large associations.

Mr. Pledger 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 to change the loan to value ratio and reduce the risk to an association in making loans.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand delivered to the same address.

The amendments are proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01 which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to the powers of Texas chartered associations to make loans and investments.

§65.5. Residential Real Estate Loans.

(a) An association may make loans or purchase participations in loans secured by a first and prior lien on residential real estate, in the maximum amount of 80% [100%] of the appraised value of the security property (unless the security property is designated as the borrower's principal residence, in which case the loan may be in the amount of 95% of the appraised value of the security property), or if the loan is for the purchase of the property, the purchase price plus the cost of any improvements included in the subject loan if less than 80% of the appraised value (or 95% of the appraised value if the security property is designated as the borrower's principal residence), on the terms set out in this section.

(b)-(f) (No change.)

§65.6. Commercial Real Estate.

(a) An association may make loans or purchase participations in loans secured by a first and prior lien on commercial real estate, in the maximum amount of 80% [100%] of the appraised value of the security property or if the loan is for the purchase of the property, the purchase price, if less than 80% of the appraised value, on the terms set out in this section.

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

(d) A loan made under this section

may include amounts to pay interest on the loan, and other fees, if the loan amount conforms to this section, and provided a detailed, narrative underwriting report is prepared and included in the loan file explaining the reasons relied upon by the association for including such amounts in the loan. In no event shall a loan include amounts to pay interest or fees, unless the association has recourse and the total amount of the loan, including any amounts to pay interest and fees, does not exceed 80% [90%] of the appraised value of the security property. Notwithstanding any recourse requirement, an association may elect to release the borrower or guarantor from liability, if the association determines that the security property has generated break even income. Any amount of the loan that represents interest shall not be disbursed until such interest is due.

(e) (No change.)

§65.7. Unimproved Real Estate Loans.

(a) An association may make loans or purchase participations in loans secured by a first and prior lien on unimproved real estate, in the maximum amount of 80% [100%] of the appraised value of the security property, or if the loan is for the purchase of the property, the purchase price, if less than the appraised value, on the terms set out in this section.

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

(d) A loan made under this section may include amounts to pay interest on the loan, and other fees, if the loan amount conforms to this section, and provided a detailed, narrative underwriting report is prepared and included in the loan file explaining the reasons relied upon by the association for including such amounts in the loan. In no event shall a loan include amounts to pay interest or fees, unless the association has recourse and the total amount of the loan, including any amounts to pay interest and fees, does not exceed 80% [90%] of the appraised value of the security property. Any amount of the loan that represents interest shall not be disbursed until such interest is due.

(e) (No change.)

§65.8. Personal Property Loans.

(a) An association may make loans or purchase participations in loans secured by perfected first lien security interests in personal property as provided in the Texas Business and Commerce Code, in the maximum amount of 80% [100%] of the appraised or market value of the security property[,] (unless the security property consists of securities publicly traded on a national exchange, in which case the loan may be in the maximum amount of 96% of the appraised or market value of the security property), or if the loan is for the purchase of the property, the purchase price

if less than 80% of the appraised or market value (or 95% of the appraised or market value if the security property consists of securities publicly traded on a national exchange. The loan must be on the terms set out in this section.

(b)-(g) (No change.)

§65.9. Oil and Gas Loans.

(a) An association may make loans or purchase participations in loans secured by a first and prior lien on proven reserves of oil and gas and other minerals in place and before they have been extracted from the ground, in an amount not to exceed 80% [100%] of the value of the proven reserves which act as security, as reasonably estimated by competent reserve evaluation specialists, or on producing oil and gas properties and an assignment of the proceeds of the sale of the portion of the total production attributable to the interest securing the loan, but no such loan shall exceed three times the annualized net revenue accruing to the interest securing the loan at the time the loan is made.

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

(d) A loan made under this section may include amounts to pay interest on the loan, and other fees, if the loan amount conforms to this section, and provided a detailed, narrative underwriting report is prepared and filed in the loans file explaining the reasons and justifications the association relied upon to include such amounts to pay interest on the loan, unless the association has full recourse against the borrower for repayment of the loan and the total amount of the loan, including any amounts to pay interest and fees, does not exceed 80% of the appraised value of the security property. Any amount of the loan which represents interest shall not be disbursed until earned.

(e)-(f) (No change.)

§65.13. Manufactured Home Loans.

(a) An association may make or purchase participations in loans secured by perfected first lien security interests in manufactured homes, in the maximum amount of 90% [100%] of the appraised or market value of the security property, or if the loan is for the purchase of the property, the purchase price, if less than 90% of the appraised or market value, on the terms set out in this section.

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

§65.14. Home Improvement Loans.

(a) An association may make or purchase participations in home improvement loans secured by a lien on a home, on the terms set out in this section. In no event shall the amount of the loan, when added to the unpaid balance of all prior liens, exceed

95% of the appraised value of the security property.

(b)-(g) (No change.)

§65.15. Acquisition, Development, and Construction Loans.

(a) (No change.)

(b) All such loans shall be in an amount not to exceed 80% [100%] of the appraised value of the real property and the contemplated improvements and structures, when completed.

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

(e) A loan made under this section may include amounts to pay interest on the loan, and other fees, if the loan amount conforms to this section, and provided a detailed, narrative underwriting report is prepared and filed in the loan file explaining the reasons relied upon by the association for including such amounts in the loan. In no event shall a loan include amounts to pay interest or fees, unless the association has recourse and the total amount of the loan, including any amounts to pay interest and fees, does not exceed 80% [90%] of the appraised value of the security property. Notwithstanding any recourse requirement, an association may elect to release the borrower or guarantor from liability, if the association determines that the security property has generated break even income. Any amount of the loan that represents interest shall not be disbursed until such interest is due.

(f) (No change.)

§65.16. Interim Construction Loans.

(a) (No change.)

(b) All such loans shall be in amount not to exceed 80% [100%] of the appraised value of the real estate and the contemplated structures when completed.

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

(e) A loan made under this section may include amounts to pay interest on the loan, and other fees, if the loan amount conforms to this section, and provided a detailed, narrative underwriting report is prepared and filed in the loan file explaining the reasons relied upon by the association for including such amounts in the loan. In no event shall a loan include amounts to pay interest or fees, unless the association has recourse and the total amount of the loan, including any amounts to pay interest and fees, does not exceed 80% [90%] of the appraised value of the security property. Any amount of the loan that represents interest shall not be disbursed until such interest is due.

(f) (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 September 26, 1988.

TRD-8809941

James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

• 7 TAC §65.11

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

The Texas Savings and Loan Department proposes the repeal of §65.11, concerning loans to officers, directors, affiliated persons, and employees. The section provides criteria by which an association may make loans to officers, directors, affiliated persons, and employees.

James L. Pledger, Texas savings and loan commissioner, has determined that for the first five-year period the proposed repeal 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 repeal.

Mr. Pledger also has determined that for each year of the first five years the repeal is in effect the public benefit anticipated as a result of enforcing the repeal will be to eliminate ambiguities and strengthen the present rule. There is no anticipated economic cost to individuals who are required to comply with the repeal as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The repeal is proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01 which authorize the Savings and Loan Section of the Finance Commission to adopt rules relating to the powers of Texas chartered associations to make loans and investments.

§65.11. Loans to Officers, Directors, Affiliated Persons, and Employees.

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 September 26, 1988.

TRD-8809943

Laura M. Hale
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

The Texas Savings and Loan Department proposes new §65.11, concerning loans to officers, directors, affiliated persons, and employees. The new section limits the types of loans which may be made to affiliated persons and employees of an association or its subsidiaries and specifies the terms and conditions under which such loans may be made.

James L. Pledger, Texas savings and loan commissioner, 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. Pledger 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 that the new section limits the types of loans which an association may make to insiders to home loans, home improvement loans, consumer loans, credit cards and overdraft protection, and loans secured by savings accounts. This severely reduces the opportunity for insider abuses by prohibiting more risky or speculative lending to insiders. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new section is proposed under Texas Civil Statutes, Articles 342-114 which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01 which authorize the Savings and Loan Section of the Finance Commission to adopt rules relating to the powers of Texas chartered associations to make loans and investments.

§65.11. Loans to Officers, Directors, Affiliated Persons, and Employees.

(a) Neither an association nor any subsidiary of an association may make or purchase any loan to any affiliated person or to any employee of the association or any subsidiary of the association, except as follows:

(1) loans fully secured by the principal residence of the affiliated person or employee;

(2) loans fully secured by savings accounts maintained by the affiliated person or the employee at the association;

(3) home improvement loans for

the borrower's principal residence;

(4) loans in connection with overdraft protection and extensions of consumer credit in connection with credit cards as authorized by §67.16 of this title (relating to Overdraft Protection-Credit and Debit Cards); and

(5) personal property loans to finance the purchase of consumer goods.

(b) All loans made or purchased pursuant to subsection (a) of this section must comply with the following terms.

(1) Prior to funding, the loan must be approved by a resolution duly adopted, at a duly constituted meeting, and after full disclosure, by a majority of the entire board of directors of the association, with no director having an interest in the transaction voting. Full disclosure shall include all terms and conditions of the loan and all facts and circumstances reasonably pertinent thereto.

(2) The loan shall be at an interest rate not less than the association's current cost of funds (except that in the case of a loan secured by a savings account, the interest rate shall be at least 1% above the rate of return on the savings account), and shall be on terms no more favorable to the borrower than if the borrower were not an affiliated person or employee of the association, and shall not exceed the loan amount which would be available to members of the general public of similar credit status applying for a similar type of loan.

(3) With respect to any loan authorized by this section made to a salaried officer or employee of the association or a subsidiary of the association, the approval requirement of subsection (b)(1) of this section shall be satisfied if the loan conforms with a blanket preapproval resolution of the board of directors specifying the terms on which loans may be made to all officers or employees, or a class of such officers or employees, and the loan documents set forth the association's current cost of funds. An institution may not use a blanket preapproval resolution to make loans authorized by this section to a single officer or employee in excess of \$50,000 in the aggregate.

(c) Prior to funding a loan under this section, an association shall comply with the loan documentation requirements of this chapter as applicable to the type of loan in question.

(d) All loans shall fully comply with the applicable provisions of this chapter.

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 September 26, 1988.

TRD-8809942

Laura M. Hale
Commissioner
Texas Savings and Loan
Department

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For further information, please call: (512) 479-1250

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• 7 TAC §65.19, §65.21

The Texas Savings and Loan Department proposes an amendment to §65.19 and §65.21, concerning investments in real property and investments in securities. The amended sections limit an association's ability to engage in real estate transactions with affiliated persons without the prior approval of the commissioner. Compliance requires the board of directors to unanimously approve such transactions after full disclosure and each such transaction must be supported by an individual appraisal not prepared by an affiliated person or an employee of the association. An association is prohibited from engaging in securities transactions with affiliated persons.

James L. Pledger, Texas savings and loan commissioner, 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 government or small businesses as a result of enforcing or administering the sections.

Mr. Pledger 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 to limit an association's ability to engage in real estate and securities transactions with affiliated persons, thereby reducing opportunities for insider abuses. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The amendment is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes for the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01, which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to the powers of Texas-chartered associations to make loans and investments.

§65.19. Investments in Real Property. An association may, in the course of its business, purchase, sell, own, rent, lease, manage, subdivide, develop, improve, operate for income, or otherwise deal in and with real property, whether improved or unimproved (excluding any investment of any nature in an oil and gas drilling venture whether such investment be in the stock of a corporate entity or in the partnership or

joint venture interest of any entity making purchases or investments in oil and gas drilling ventures). Investments of an association under this section shall not at any one time aggregate more than an amount equal to 100% of an association's net worth without the prior written approval of the commissioner. All investments in real property under the authority of this section shall be subject to the following conditions.

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

(5) No association or subsidiary of an association may, directly or indirectly, purchase or lease from, jointly own with, or sell or lease to, an affiliated person of the association any interest in real property, not shall any affiliated person of an association have [affiliated person of an association shall have] any interest in the proceeds of an investment made by the association to acquire real property under this section or to construct or modernize improvements on such real property, without the prior written approval of the commissioner. All requests for approval of an affiliated person transaction described in this subsection shall be supported by an independent appraisal not prepared by an affiliated person or employee of the association or subsidiary and shall be approved in advance by a resolution unanimously adopted by the board of directors, at a duly constituted meeting, after full disclosure of all relevant factors pertaining to such transaction. Full disclosure must include the affiliated person's source of financing for the real property involved in the transaction, including whether the affiliated person has any deposit relationship with or is an affiliated or controlling person of any financial institution or holding company affiliate thereof providing the financing. The commissioner may approve an affiliated person transaction if he shall have affirmatively found from the data submitted with the application that the transaction is fair to and in the best interest of the association or subsidiary [unless full disclosure of all relevant factors of such relationship is made to the board of directors of the association and unanimously adopted by the board of directors prior to the making of such investments; and further provided, that full disclosure of all relevant factors pertaining to such relationship together with the results of the board of director's action, be forwarded to the commissioner and his consent obtained before the making of any such investment].

(6)-(10) (No change.)

§65.21. Investments in Securities.

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

(c) No association or subsidiary thereof may invest, either directly or indirectly, in the stocks, bonds, notes, or other securities of any affiliated person.

(d) No association or subsidiary thereof may, either directly or indirectly, purchase securities from any affiliated person of such association.

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 September 26, 1988.

TRD-8809940 Laura M. Hale
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

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• 7 TAC §65.22

The Texas Savings and Loan Department proposes new §65.22, concerning restrictions on loan procurement fees. The new section prohibits an affiliated person from receiving compensation of any kind in connection with the procuring of a loan made by an association or its subsidiaries without the prior approval of the commissioner. The section specifically excepts compensation paid to employees in the form of commissions or incentive bonuses provided that the employee's principal job function is the procurement of loans and provided that the commission paid does not exceed a specified level.

>James L. Pledger, Texas savings and loan commissioner, 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. Pledger 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 to generally prohibit insiders from receiving fees or compensation in connection with the procurement of loans and reduces the opportunity for insider abuse. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new section is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01 which authorize the Savings and Loan Section of the Finance Commission to adopt rules relating to the powers of Texas chartered associations to make loans and investments.

§65.22. *Restriction on Loan Procurement Fees.* No affiliated person of an association may receive, either directly or indirectly, from such association, any subsidiary thereof, or any other source, any fee or any other compensation of any kind in connection with the procurement of any loan made by such association or subsidiary thereof without the prior approval of the commissioner. Nothing in this section shall prevent an association from compensating an officer or employee, whose primary function is the procurement of loans, in the form of commissions or bonuses based on a percentage of commissions of the amount any loan procured, provided that such percentage shall not exceed one-half of one percent (0.5%) for any one loan without prior approval of the commissioner, and provided that such officer or employee does not participate in the process for approving or disapproving such loan.

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 September 26, 1988.

TRD-8809939 Laura M. Hale
General Counsel
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

◆ ◆ ◆ ^
• 7 TAC §65.23

The Texas Savings and Loan Department proposes new §65.23, concerning restrictions on loan transactions with third persons. The new section generally prohibits loans to third person on the security of property belonging to or purchased from affiliated persons. The commissioner may waive this restriction if he finds that the transaction is fair to or in the best interest of the association.

James L. Pledger, Texas savings and loan commissioner, 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. The cost of compliance for small savings and loan associations will be the same as for large associations.

Mr. Pledger 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 to prohibit loans made on the security of property belonging to or purchased from an affiliated person, thereby reducing the opportunity for insider abuses.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new section is proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01 which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to the powers of Texas chartered associations to make loans and investments.

§65.23. *Restrictions on Loan Transactions With Third Person.*

(a) No association or subsidiary of an association may, either directly or indirectly:

(1) make any loan to, or purchase (other than through a secondary market such as the Federal Home Loan Mortgage Corporation) any loan made to any third party on the security of property purchased from any affiliated person of such association, unless the property was a single family dwelling owned and occupied by the affiliated person as his principal residence;

(2) make any loan to, or purchase any loan made to, any third party secured by real property with respect to which any affiliated person of the association holds a security interest;

(3) accept the stock, bonds, notes, or other security of any affiliated person of the association as security for a loan to any third party made or purchased by such association or subsidiary thereof;

(4) maintain a compensating balance with respect to a loan made by any third party to any affiliated person of such association; or

(5) enter any guarantee arrangement or make any take out commitment with respect to a loan made by any third party to any affiliated person of the association.

(b) The restriction contained in this section may be waived by the commissioner if he determines that the terms of the transaction in question are fair to and in the best interest of the association or subsidiary.

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 September 26, 1988.

TRD-8809938 James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 69. Reorganization, Merger, Consolidation, Acquisition, and Conversion

• 7 TAC §69.11

The Texas Savings and Loan Department proposes new §69.11 concerning conversion of a state-chartered savings and loan to a federal charter. The new section provides for the filing with the commissioner of applications to convert to a federal charter. The regulation sets forth the substantive criteria which must be satisfied in order for an application to be approved and is designed to ensure that a conversion to a federal charter will not cause undue harm to the public or to any other existing association. The section also provides for a time period for action and for appeal of the commissioner's action.

James L. Pledger, Texas savings and loan commissioner, 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 as a result of enforcing or administering the section. The cost of compliance with the section for small businesses will be filing the fee required for this application and compiling the information necessary to meet the substantive criteria. The cost of compliance for small savings and loan associations, consisting of the costs outlined previously, will be the same as for large associations.

Mr. Pledger 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 to enable the commissioner to evaluate proposed conversions to federal charters to assure that the proposed conversion will not cause undue harm to the public interest or any other association. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand delivered to the same address.

The new section is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2) which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner and §10.1, establishing the conditions under which an association may convert itself into a federal association.

§69.11. Conversion to Federal Charter.

(a) The commissioner may authorize any association subject to this title to convert itself into a federal association in accordance with the provision of the Home Owner's Loan Act of 1933, §5, as now or hereafter amended.

(b) In order to obtain such authorization, the converting association must adopt, by a majority vote of the members or shareholders of the association entitled to vote at any annual or special meeting called to consider such conversion, a resolution declaring that the association shall be so converted. The association shall then file with the commissioner, a written application accompanied by:

(1) a copy of the minutes of the proceedings of such meeting of the shareholders or members, verified by affidavit of the secretary or assistant secretary;

(2) a copy of the proposed articles of incorporation and bylaws for the new federal association;

(3) estimates of the cost of conversion, exclusive of any application or filing fees;

(4) a statement of the reasons or need for conversion; and

(5) a statement of the association's proposed plans for operation following conversion, including a description of any material changes in the association's organizational structure and management and in the services to be provided by the association to the public following conversion.

(c) The commissioner may approve a conversion if he finds that:

(1) the conversion will not substantially lessen competition or be in restraint of trade and will not result in a monopoly or be in furtherance of a combination or conspiracy to monopolize or attempt to monopolize the savings and loan industry in any part of the state, unless the anti-competitive effects of the proposed conversion are clearly outweighed in the public interest by the probable effect of the conversion in meeting the convenience and needs of the community to be served;

(2) the proposed conversion will not cause undue harm to the public interest or to any other existing association; and

(3) the proposed conversion is not contrary to the best interests of the savers, depositors, creditors, and stockholders of the converting association and of the public in general.

(d) Within 10 days after receipt of an application to convert, the commissioner shall either consent to such conversion in writing or call a hearing to consider whether such proposed conversion complies with the conditions set forth in this section. Such hearing shall be held within 25 days after the filing of the conversion application unless a later date is agreed to by the association and the commissioner. Such a hearing shall be conducted by the commissioner, or a hearing officer designated by the commissioner, as a contested case in compliance with the provisions of the Administrative Procedure and Texas

Register Act, Texas Civil Statutes, Article 6252-13a, except that no proposal for decision shall be made and a final decision or order must be rendered by the commissioner within 15 days after the close of the hearing. The provisions of the Administrative Procedure and Texas Register Act, Texas Civil Statutes, Article 6252-13a, with respect to motions for rehearing and judicial review, shall be available to the association in the event the commissioner should refuse the conversion sought.

(e) If the commissioner consents to such conversion, the association, within three months after the date of the commissioner's consent, shall take such action in the manner prescribed and authorized by the laws of the United States to consummate the conversion into a federal association, and shall file with the commissioner a copy of the charter issued to such federal association by the Federal Home Loan Bank Board or a certificate showing the organization of such association as a federal association, certified by the secretary or assistant secretary of the Federal Home Loan Bank Board, provided that no failure to file such federal instruments with the commissioner shall affect the validity of any such conversion.

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 September 26, 1988.

TRD-8809937

James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 71. Change of Control

• 7 TAC §71.3

The Texas Savings and Loan Department proposes an amendment to §71.3, concerning acquisition of an association. The proposed amendment eliminates automatic approval of a change of control application upon the commissioner's failure to render a decision within the established time period.

James L. Pledger, Texas savings and loan commissioner, 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. Pledger 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 that the section does away with automatic approval of a change of control application upon the commissioner's failure to make a decision within 60 days, thus giving the commissioner affirm-

ative decision-making authority. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The amendment is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes for the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2), which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner.

§71.3. Acquisition of an Association.

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

(4) Approval. The transaction for acquisition of control of an association may not be consummated until the commissioner [either] approves the application for acquisition of control. The commissioner shall render his decision within 60 days after the application [statement] required by paragraph (1) of this section [(and which is deemed by the commissioner to be complete)] has been filed with and deemed complete by the commissioner. [Texas Savings and Loan Department or the commissioner fails to disapprove such application for acquisition of control within such 60-day period. The commissioner may disapprove any such proposed transaction within such 60-day period if the commissioner issues a written order which finds any of the following:] The commissioner shall deny an application for acquisition of control of an association if he finds any of the following:

(A)-(H) (No change.)

(5) (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 September 26, 1988.

TRD-8809936

Laura M. Hale
General Counsel
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

• 7 TAC §71.8

The Texas Savings and Loan Department proposes new §71.8, concerning exempt transactions. The proposed new section exempts certain types of transactions from the requirements of the Texas Savings and Loan Act, §11.20, and from this chapter. The transactions exempted are foreclosure of stock loans on the condition that the acquiror does not retain control for more than one year from the date on which control was acquired, percentage increase in stock ownership following a pro rata dividend or stock split, and the acquisition of additional stock by any person holding power to vote 25% or more of any class of voting stock of an association.

James L. Pledger, Texas savings and loan commissioner, 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. The cost of compliance with the section for small businesses will be filing the fee required for this application and compiling the information necessary to meet the substantive criteria. The cost of compliance for small savings and loan associations, consisting of the costs outlined previously, will be the same as for large associations.

Mr. Pledger 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 to allow a lender to foreclose on stock which it holds as its collateral and to realize the full benefit of its security. The section further exempts certain acquisitions by existing stockholders which have normally not been classified as change of control acquisitions. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new section is proposed under Texas Civil Statutes, Article 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes for the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §8.01(2), which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to fees and procedures for processing, hearing, and deciding applications filed with the commissioner.

§71.8. Exempt Transactions. The following transactions are exempt from the application requirements of this section:

(1) control of an insured institution acquired solely as a result of foreclosure on the stock of an association which secures a loan contracted for in good faith, where such loan was made in the ordinary course of business of the lender, provided that the acquisition of control pursuant to

such foreclosure is reported to the commissioner within 30 days and provided further that the acquiror shall not retain such control for more than one year from the date on which such control was acquired. The commissioner may, upon application by the acquiror, extend such one-year period from year to year for an additional period of time, not to exceed three years, if the commissioner finds such extension is warranted and would not be detrimental to the public interest. Nothing in this subsection shall prevent such acquiror from filing an application pursuant to this chapter for permanent approval of the acquisition of control;

(2) control of an insured institution acquired through a percentage increase in stock ownership following a pro-rata stock dividend or stock split, if the proportional interest of the recipients remains substantially the same;

(3) acquisition of additional stock of an association by any person who has held power to vote 25% or more of any class of voting stock in such association continuously for the three-year period preceding such acquisition, or has maintained control of the association continuously since acquiring control in compliance with the provisions of law or regulation then in effect provided that such acquisition is consistent with any conditions imposed in connection with such acquisition of control and with the representations made by the acquiror in its application.

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 September 26, 1988

TRD-8809935

Laura M. Hale
General Counsel
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

Chapter 73. Subsidiary Corporations

• 7 TAC §§73.1, 73.2, 73.5

The Texas Savings and Loan Department proposes amendments to §§73.1, 73.2, and 73.5, concerning investment in and divestiture of subsidiary corporations. The proposed amendments add a definition of subsidiary previously absent in the sections, provide the commissioner with additional discretion in approving investments, including increased discretionary power in permitting investments in excess of 10% of total assets, and expand the scope of information which must accompany an application for a subsidiary.

James L. Pledger, Texas savings and loan commissioner, 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 government as a result of enforcing or administering the sections.

The cost of compliance with the sections for small businesses will be filing the fee required for this application and compiling the information necessary to meet the substantive criteria. The cost of compliance for small savings and loan associations, consisting of the costs outlined previously will be the same as for large associations.

Mr. Pledger 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 to eliminate ambiguities by providing specific definition, to ensure that complete information is provided to the commissioner with each application for a subsidiary corporation, and to provide the commissioner with increased discretion in determining whether to approve or deny such application and additional investment request. There is no anticipated economic cost to individuals who are required to comply with the sections as proposed.

Comments on the proposal may be submitted to James L. Pledger, Texas Savings and Loan Commissioner, Finance Commission Building, 2601 North Lamar Boulevard, Suite 201, Austin, Texas 78705, or hand-delivered to the same address.

The new sections are proposed under Texas Civil Statutes, Articles 342-114, which provide the Savings and Loan Section of the Finance Commission of Texas with the authority to promulgate general rules and regulations not inconsistent with the constitution and statutes of the state and, from time to time, to amend same, and under Texas Civil Statutes, Article 852a, §5.01(17), which authorize the Savings and Loan Section of the Texas Finance Commission to adopt rules relating to the terms and conditions governing the investment by an association in subsidiary corporations

§73.1. Investment In and Divestiture of Subsidiary Corporations.

(a) As used in this chapter, corporation shall mean any subsidiary, [corporation or subsidiary of a subsidiary corporation,] whether owned directly or indirectly, wholly or partially. **Subsidiary shall mean any company which is controlled by the association or by a company which is controlled, directly or indirectly, by the association.** For purposes of this section an association shall be deemed to have control of a company if the association directly or indirectly, or acting in concert with one or more other persons or entities, or through one or more subsidiaries, owns, controls, or holds with the power to vote, or holds proxies representing more than 25% of the voting shares of such company, or controls in any manner the election of a majority of the directors of such company, or is a general partner in or has contributed more than 25% of the capital of such company.

(b) An association may, only after prior written approval of the commissioner, invest in a corporation in accordance with

the terms and conditions set forth in this chapter. The commissioner may approve an investment in a corporation if he finds that:

(1) there are no supervisory problems which would effect its ability to properly supervise and operate such corporation, [;] **provided that nothing in this subsection shall prevent the commissioner from approving an investment in a corporation where the applying association is not in compliance with the minimum net worth requirements set forth in this title if the commissioner finds that the investment in such corporation is in the applying associations's best interest.**

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

§73.2. Application.

(a) In order to obtain such approval, the applying association shall file with the commissioner an application form accompanied by [;] **the following information:**

(1) an audited financial statement in the event of acquisition of an existing corporation;

(2) a certified resolution of the board of directors of the applying association approving the investment in the corporation; [and]

(3) a certified copy of the articles of incorporation, certificate of incorporation, and bylaws of the corporation; [.]

[(b) The commissioner may require submission of other pertinent information, e.g.:]

(4)[1] the acquisition terms, cost, or investment requirements of the association;

(5)[2] projected operating statements of the proposed corporation for its first three years of operation;

(6)[3] an attorney's opinion letter as to direct, indirect, and/or contingent association and corporation liability;

(7)[4] an outline of plans for operation of the corporation;

(8)[5] evidence that the corporation will have adequate management and operating personnel with proper supervision by association management;

(9)[6] plans for the safeguarding of corporate assets; [and]

(10)[7] affidavits from all directors of an association and corporation fully disclosing any interest they may directly or indirectly have in the proposed or existing corporation; and

(11) such other information or data as the commissioner may require.

(b)[c] Records of the corporation will be made available at all times to state and federal supervisory authorities for ex-

amination and review.

(c)[d] The corporation will keep complete and adequate books and records in accordance with generally accepted accounting principles where there are no specific accounting guidelines set forth by the rules of the Texas Savings and Loan Department or the regulations of the Federal Savings and Loan Insurance Corporation. **§73.5. Investment in Debt Limitation.**

(a) Investment in subsidiary corporations shall include investment on its capital stock, paid-in capital, subordinated debentures, unsecured loans, advances, contingencies, and other obligations (excluding secured conforming loans), and shall not, in the aggregate, exceed 10% of the association's total assets without prior approval. The commissioner may grant approval to exceed the 10% limitation if the commissioner determines that such investment is in the association's best interest. [the association is in compliance with the minimum net worth and statutory reserve requirements of the Federal Savings and Loan Insurance Corporation and if there are no serious supervisory problems involving the association.]

(b) (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 September 26, 1988.

TRD-8809934

James L. Pledger
Commissioner
Texas Savings and Loan
Department

Earliest possible date of adoption: November 4, 1988

For further information, please call: (512) 479-1250

TITLE 31. NATURAL RESOURCES AND CONSERVATION

Part IV. School Land Board

Chapter 155. Land Resources

• 31 TAC §155.10

The School Land Board proposes an amendment to §155.10, concerning fees charged for the use of channels located on coastal public lands. The amendment is intended to ensure a more easily calculated method for determining the rental rate that marina owners are charged.

Mr. Spencer Reid, deputy commissioner of asset management, has determined that there may be fiscal implications as a result of enforcing or administering the section, although estimating the implications is difficult. There will be no effect on local government or small businesses. The economic impact on

state government, if any, may be a minor reduction in revenue because the formula will no longer be tied to economic activity of the marina.

Mr. Reid 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 a possible reduction in staff time and paperwork required to assess the fee. There is no anticipated economic cost to individuals who are required to comply with the section as proposed.

Comments on the proposal may be submitted to Jim Phillips, General Counsel, General Land Office Legal Services, Room 630, 1700 North Congress Avenue, Austin, Texas 78701.

The amendment is proposed under the Natural Resources Code, §33.064, which provides the School Land Board with the authority to adopt procedural and substantive rules it considers necessary to administer, implement, and enforce the management of coastal public lands.

§155.10. Coastal Public Land Fees.

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

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

(7) Channel density formula—The state land encumbered multiplied by the appraised market value of the adjacent littoral property multiplied by the submerged land discount multiplied by the return on investment. [Total linear feet of the applicant's marina boat slips multiplied by the average regional slip rate multiplied by the regional slip occupancy multiplied by the rate of return.]

(8)-(26) (No change.)

(b)-(f) (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 September 27, 1988.

TRD-8809975 Garry Mauro
Chairman
School Land Board

Earliest possible date of adoption: November 4, 1988

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

TITLE 40. SOCIAL SERVICES AND ASSISTANCE

Part I. Texas Department of Human Services

Chapter 72. Memoranda of Understanding with other State Agencies

Memorandum of Understanding for Releasing Physically Handicapped Inmates

• 40 TAC §72.601

The Texas Department of Human Services (DHS) proposes new §72.601, concerning a memorandum of understanding for releasing physically handicapped inmates, in its memorandum of understanding with other state agencies chapter. Legislation passed by the 70th Legislature, 1987, requires the Texas Department of Human Services, the Texas Department of Corrections, the Texas Rehabilitation Commission, the Texas Commission for the Blind, the Texas Commission for the Deaf, and the Texas Board of Pardons and Paroles to adopt by rule a memorandum of understanding to establish the responsibilities to the continuity of care for releasing physically handicapped inmates.

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 no fiscal implications for state or local governments or small businesses as a result of enforcing or administering the section.

Mr. Packard 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 coordination of services when releasing physically handicapped inmates. 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-595, Texas Department of Human Services 222-E, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in the *Texas Register*.

The new section 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.

§72.601. Releasing Physically Handicapped Inmates.

(a) Understanding. The Texas Department of Corrections (TDC), the Texas Rehabilitation Commission (TRC), the Texas Commission for the Blind (TCB), the Texas Department of Human Services (TDHS), the Texas Commission for the Deaf (TCD), and the Texas Board of Pardons and Paroles (TBPP) understand and agree that the establishment of each agen-

cy's respective responsibilities to the continuity of care for releasing physically handicapped inmates is imperative to their well-being. It is further understood that TDC remains the primary responsible party, under this memorandum of understanding, up to and until the release of the identified inmate for purposes of this memorandum of understanding. Other services may be provided by agreement of the respective agencies by way of interagency cooperation contracts. Other agencies, as cited in this subsection, assume only those responsibilities given those agencies under their enabling legislation, and only upon the release of the identified inmate.

(b) Action.

(1) This memorandum of understanding establishes methods for accomplishing four tasks, basic to the continuity of care of physically handicapped inmates.

(A) TDC will identify all physically handicapped inmates as defined in this subparagraph, through a comprehensive review of health related conditions upon admission to TDC and periodically during their confinement in accordance to the Comprehensive Health Care Plan; Health Services Policies and Procedures Number 3-8, 3-10, 3-11, 3-36, 3-44, and 3-45; and the National Commission of Correctional Health Care Standards, pages 30 and 32. The definition of physically handicapped shall be that as defined in the *Physically Handicapped Offender Plan*, pursuant to *Ruiz v. Lynaugh*, and the Health Services Policies and Procedures Number 3-44 and 3-45.

(B) TDC will also identify inmates in need of chronic and convalescent care whose physical conditions impair their abilities to perform daily living activities. The identification will occur through a comprehensive review of health related conditions upon admission to TDC and periodically during their confinement in accordance to the Comprehensive Health Care Plan; Health Services Policies and Procedures Number 3-8, 3-10, 3-11, 3-36, 3-44, and 3-45; and the National Commission of Correctional Health Care Standards, pages 30 and 32.

(C) TDC will review admission records, together with the periodic health reviews, and all medical treatment records prior to release. Where possible, this will be accomplished no sooner than 60 days, but no later than 30 days prior to the designated release date of the identified inmate. A comprehensive listing of functional limitations, including the origin of such limitations, will be developed and made available to the appropriate receiving agency, based upon that agency's currently published guidelines for referral specified in subsection (c) of this section.

(D) To avoid duplication of efforts, only pertinent portions of the medical records, as defined by the receiving agency, and other information relating to the well-being of the inmate will accompany the resulting referral to the receiving agency. Upon approval and signing of this memorandum of understanding, TBPP may act as the central distribution point for referral to the appropriate agency.

(E) Agencies, determined by the TBPP and TDC, to be the appropriate receiving agency will be notified of the pending release date and destination. Where possible, this will be accomplished no later than 30 days prior to release. The receiving agency may contact the inmate prior to release to coordinate delivery of services whenever feasible.

(F) All applicable standards for program accessibility by physically disabled individuals will be adhered to by the signature agencies of this memorandum of understanding.

(G) The receiving agency shall provide the referring agency with a response to the initial referral which details the action taken and the contact person involved.

(2) No agency that, by signing this memorandum of understanding, participates in the efforts to assure continuity of care of releasing inmates, shall bear any responsibility other than that given it by its enabling legislation.

(3) The departments, the boards, and the commissions by rule shall adopt this memorandum.

(c) Basis for referral.

(1) Texas Department of Human Services.

(A) TDHS will accept referrals on persons who are at least 18 years of age or emancipated minors and financially eligible for services (there is no age requirement for primary home care and day activity and health services). The persons must also have sufficient need for assistance with daily living activities and a medical need and physician's orders for primary home care or day activity and health services.

(B) Other community care services that are offered to help persons remain in their own homes and communities include the following:

- (i) family care;
- (ii) home-delivered or congregate meals;
- (iii) emergency care;
- (iv) emergency response services;
- (v) adult foster care;
- (vi) residential care; and
- (vii) special services to the handicapped.

(C) TDHS will also accept referrals for any other service TDHS provides.

(2) Texas Commission for the Deaf. TCD provides services to persons who are deaf or hearing-impaired. Direct services, including interpreter services; information and referral services; services to the elderly; and message relay services are provided by nonprofit, community-based organizations, called councils for the deaf. Currently, there are 16 councils, located in 15 cities: Amarillo, Lubbock, Big Springs, El Paso, Corpus Christi, San Antonio, Abilene, Fort Worth, Austin, Houston (two),

Sherman, Waco, Dallas, Tyler, and Beaumont.

(3) Texas Commission for the Blind. TCB will accept referrals on individuals who have been diagnosed as having at least a visual acuity of 20/70 best correction in both eyes, or worse. Individuals meeting this criteria may be referred to be considered for the following services:

(A) vocational rehabilitation (which may include employment assistance, job readiness, counseling, and guidance);

(B) independent living; and

(C) older blind services.

(4) Texas Rehabilitation Commission. TRC will accept referrals on persons who have a physical or mental condition that significantly interferes with their ability to work. A broad range of services are available. Each individual is carefully assessed and services provided to eligible persons based on their needs. Services may include diagnostics, transportation, physical restoration, training, tools and equipment, job placement, and counseling.

(d) Effective date. Each agency understands and agrees to implement this memorandum of understanding within 60 days of its commissioner's signature date.

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 September 28, 1988.

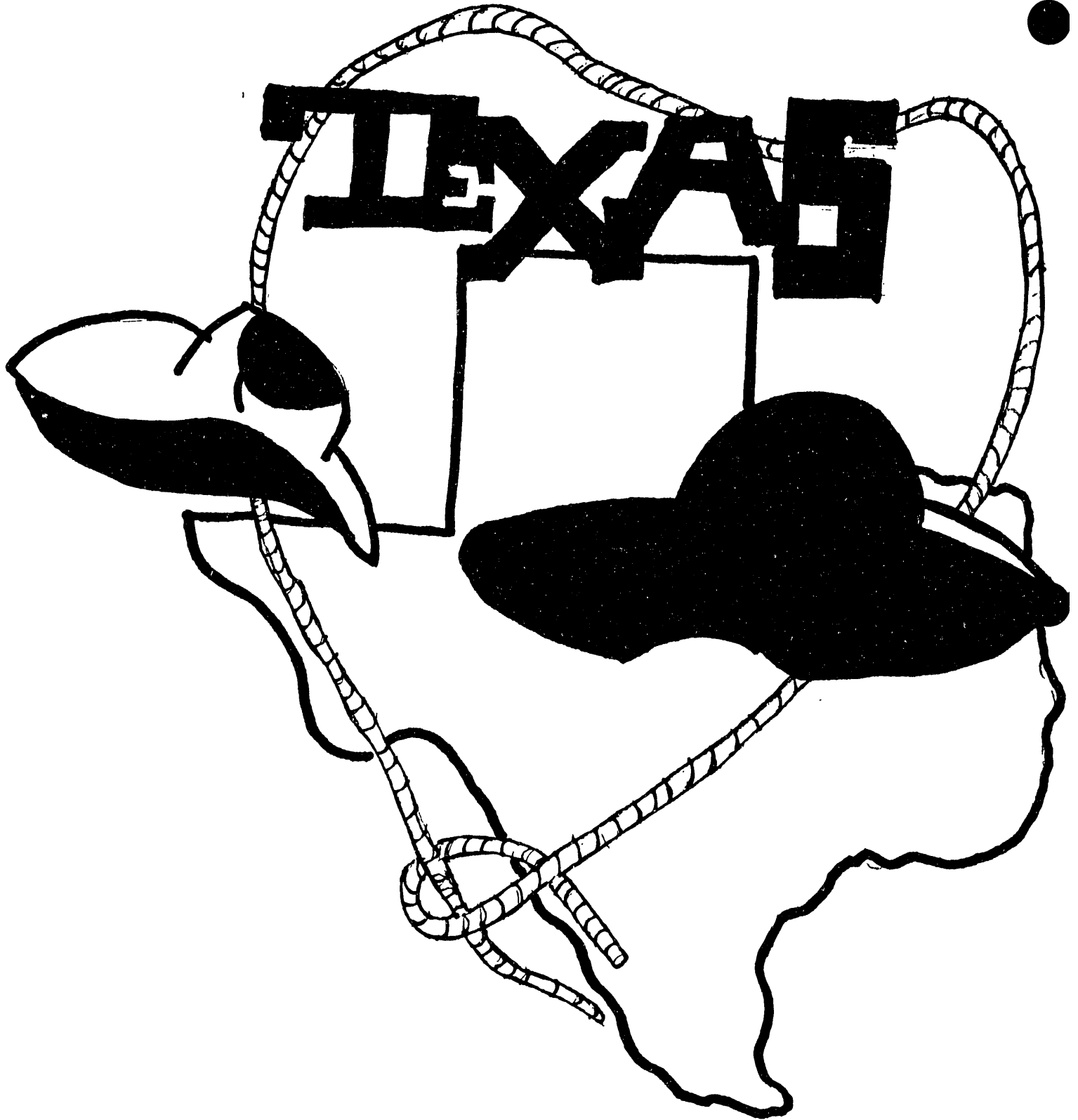
TRD-8810008

Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Proposed date of adoption: January 15, 1988.

For further information, please call: (512) 450-3765





Name: Angela Rathiff
Grade: 7
School: Boles Jr. High, Arlington

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 13. CULTURAL RESOURCES

Part IV. Texas Antiquities Committee

Chapter 43. Procedure

Subchapter A. Definitions and General

• 13 TAC §43.1-43.3

The Texas Antiquities Committee (TAC) adopts amendments to §§43.1-43.3 without changes to the proposed text as published in the July 15, 1988, issue of the *Texas Register* (13 TexReg 3497).

The amendments clarify commonly used terms, provide for expedient filing of documents, and eliminate inappropriate or conflicting language from the text.

The amendments add definitions for the terms "committee" and "committee staff"; transfer filing of documents with the state archaeologist to the committee staff; and remove language allowing the committee to make exceptions to the existing sections for good cause.

No comments were received regarding adoption of the amendments.

The amendments are adopted under the Natural Resources Code, Title 9, Chapter 191 (revised by Senate Bill 231, 68th Legislature, 1983, and House Bill 2056, 70th Legislature, 1987), §191.052, which provides the Texas Antiquities Committee with the authority to promulgate rules and require contract or permit conditions to reasonably effect the purposes of Chapter 191.

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 September 26, 1988.

TRD-8809964

Molly F. Godwin
Administrative Technician
Texas Antiquities
Committee

Effective date: October 18, 1988

Proposal publication date: July 15, 1988

For further information, please call: (512) 463-9098

Subchapter B. Adjudicative Procedures

• 13 TAC §§43.53, 43.55, 43.59, 43.67, 43.81, 43.87, 43.89, 43.93, 43.111, 43.125, 43.127, 43.159, 43.181, 43.191, 43.203, 43.227

The Texas Antiquities Committee (TAC) adopts amendments to §§43.53, 43.55, 43.59, 43.67, 43.81, 43.87, 43.89, 43.93, 43.111, 43.125, 43.127, 43.159, 43.181, 43.191, 43.203, and 43.227, without changes to the proposed text as published in the July 15, 1988, issue of the *Texas Register* (13 TexReg 3497).

The amendments provide for accurate and expedient review of legal documents by committee counsel, eliminate layman review of legal documents; and remove burden of legal responsibilities from the office of the state archaeologist.

These amendments remove inappropriate or conflicting language; clarify or qualify general terms or phrases; revise and update rules to be compatible with statutory changes, 68th Legislature, 1983; and delegate review of applications, pleadings, and exceptions relating to contested matters to committee staff or the attorney general or his designee.

No comments were received regarding adoption of the amendments.

The amendments are adopted under the Natural Resources Code, Title 9, Chapter 191 (revised by Senate Bill 231, 68th Legislature, 1983, and House Bill 2056, 70th Legislature, 1987), §191.052, which provides the Texas Antiquities Committee with the authority to promulgate rules and require contract or permit conditions to reasonably effect the purposes of Chapter 191.

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 September 26, 1988.

TRD-8809966

Molly F. Godwin
Administrative Technician
Texas Antiquities
Committee

Effective date: October 18, 1988

Proposal publication date: July 15, 1988

For further information, please call: (512) 463-6098

• 13 TAC §43.183

The Texas Antiquities Committee adopts the repeal of §43.183, without changes to the

proposed text as published in the July 15, 1988, issue of the *Texas Register* (13 TexReg 3497).

The repealed section provided for inappropriate legal review and countersignature by the state archaeologist of proposals for decision; examiner's report resulting from contested proceedings before the committee.

The repealed section removes the requirement for countersignature by the state archaeologist on proposals for decision; examiner's report to complete the adjudicative process pertinent to contested matters.

No comments were received regarding adoption of the repeal.

The repeal is adopted under the Natural Resources Code, Title 9, Chapter 191, (revised by Senate Bill 231, 68th Legislature, 1983, and House Bill 2056, 70th Legislature, 1983, and House Bill 2056, 70th Legislature, 1987), §191.052, which provides the Texas Antiquities Committee with the authority to promulgate rules and require contract or permit conditions to reasonably effect the purposes of Chapter 191.

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 September 26, 1988.

TRD-8809967

Molly F. Godwin
Administrative Technician
Texas Antiquities
Committee

Effective date: October 18, 1988

Proposal publication date: July 15, 1988

For further information, please call: (512) 463-6098

The Texas Antiquities Committee adopts new §43.183, without changes to the proposed text as published in the July 15, 1988, issue of the *Texas Register* (13 TexReg 3497).

The section provides for appropriate legal review and countersignature by agency counsel of proposals for decision; examiner's report resulting from contested proceedings before the committee.

The section requires countersignature by the attorney general or his designee on proposals for decision; examiner's report to complete the adjudicative process pertaining to contested matters.

No comments were received regarding adoption of the section.

The new section is adopted under the Natural Resources Code, Title 9, Chapter 191 (re-

vised by Senate Bill 231, 68th Legislature, 1983, and House Bill 2056, 70th Legislature, 1987), §191.052, which provides the Texas Antiquities Committee with the authority to promulgate rules and require contract or permit conditions to reasonably effect the purposes of Chapter 191.

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 September 26, 1988.

TRD-8809965

Molly F. Godwin
Administrative Technician
Texas Antiquities
Committee

Effective date: October 18, 1988

Proposal publication date: July 15, 1988

For further information, please call: (512) 463-6098

◆ ◆ ◆
**Subchapter C. Proceedings
Regarding Permits for
Salvage, Restoration, or
Study**

• **13 TAC §43.241, §43.242**

The Texas Antiquities Committee adopts the repeal of §43.241 and §43.242, without changes to the proposed text as published in the July 15, 1988, issue of the *Texas Register* (13 TexReg 3497).

The repeal of the sections enable the revision of the subchapter title and provide for expansion of the existing subchapter authority.

The repeal of the sections eliminates the existing subchapter title and enables the extensive revision of the existing sections.

No comments were received regarding adoption of the repeals.

The repeals are adopted under the Natural Resources Code, Title 9, Chapter 191 (revised by Senate Bill 231, 68th Legislature, 1983, and House Bill 2056, 70th Legislature, 1987), §191.052, which provides the Texas Antiquities Committee with the authority to promulgate rules and require contract or permit conditions to reasonably effect the purposes of Chapter 91.

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 September 26, 1988.

TRD-8809969

Molly F. Godwin
Administrative Technician
Texas Antiquities
Committee

Effective date: October 18, 1988

Proposal publication date: July 15, 1988

For further information, please call: (512) 463-6098

◆ ◆ ◆
The Texas Antiquities Committee adopts new

§43.241 and §43.242, without changes to the proposed text as published in the July 15, 1988, issue of the *Texas Register* (13 TexReg 3497).

The adoption of the sections expands the subchapter governing authority of proceedings before the committee to ensure continued discovery, due process landmark designation procedure, preservation, and protection of important publicly owned prehistoric and historic cultural properties.

The adoption replaces existing sections, revising the subchapter title and expanding the subchapter governing authority.

No comments were received regarding adoption of the new sections.

The new sections are adopted under the Natural Resources Code, Title 9, Chapter 191 (revised by Senate Bill 231, 68th Legislature, 1983, and House Bill 2056, 70th Legislature, 1987), §191.052, which provides the Texas Antiquities Committee with the authority to promulgate rules and require contract or permit conditions to reasonably effect the purposes of Chapter 191.

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 September 26, 1988.

TRD-8809968

Molly F. Godwin
Administrative Technician
Texas Antiquities
Committee

Effective date: October 18, 1988

Proposal publication date: July 15, 1988

For further information, please call: (512) 463-6098

◆ ◆ ◆
**TITLE 31. NATURAL
RESOURCES AND
CONSERVATION**
**Part II. Texas Parks and
Wildlife Department**
Chapter 65. Wildlife

◆ ◆ ◆
**Subchapter K. Migratory Game
Birds**

• **31 TAC §65.261**

The Texas Parks and Wildlife Commission, in a regularly scheduled public hearing August 31, 1988, adopted an amendment to §65.261, with changes to the proposed text as published in the June 17, 1988, issue of the *Texas Register* (13 TexReg 3011). The change in §65.261(a) will exclude the shooting of pen-reared mallards on privately owned shooting resorts and private bird shooting area from the regulation. The adopted text will expand the nontoxic zone into all of Liberty County and require muzzleloading firearms for the first time to also use nontoxic (steel) shot.

The section will provide additional protection for waterfowl, which complies with the final rule change by the United States Fish and

Wildlife Service.

The adopted section prevents the taking of waterfowl with toxic shot in the delineated zones, which will prevent mortality due to lead poisoning.

No comments were received regarding adoption of the amendment.

The section is adopted under the Texas Parks and Wildlife Code, Chapter 64, Subchapter C, which provides the Texas Parks and Wildlife Commission with authority to provide an open season, means, methods, and devices for the taking and possessing of migratory game birds.

◆ ◆ ◆
§65.261. Nontoxic Shot Zones.

(a) During waterfowl seasons commencing on or after September 1, 1988, no person may possess shotgun shells containing any shot material or loose shot for muzzleloading firearms, which is not approved by the federal government as being non-toxic to wildlife or the environment while taking or killing or attempting to take or kill waterfowl within the nontoxic shot zones, excluding the shooting of privately owned pen reared and banded mallards on licensed shooting resorts and private bird shooting areas. These zones are described as lying within boundaries beginning at:

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

(5) (No change.)

(b)-(d) (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 September 27, 1988.

TRD-8809985

Boyd Johnson
General Counsel
Texas Parks and Wildlife
Department

Effective date: October 18, 1988

Proposal publication date: July 17, 1988

For further information, please call: (512) 389-4578

◆ ◆ ◆
**TITLE 40. SOCIAL
SERVICES AND
ASSISTANCE**
**Part I. Texas Department
of Human Services**
**Chapter 27. Intermediate Care
Facility for Mentally
Retarded**

◆ ◆ ◆
**Subchapter EE. Admission and
Release**

• **40 TAC §27.3007**

The Texas Department of Human Services (DHS) adopts an amendment to §27.3007, without changes to the proposed text as pub-

ished in the August 16, 1988, issue of the *Texas Register* (13 TexReg 4055).

The amendment is justified to accurately cross-referencing discharge and transfer requirements.

The amendment will function by updating a reference to discharge and transfer requirements subsequent to the adoption of 27.3011 concerning discharge or transfer.

The department received no comments regarding adoption of the amendment.

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 September 28, 1988.

TRD-8810012

Marlin W. Johnston
Commissioner
Texas Department of
Human Services

Effective date: November 1, 1988.

Proposal publication date: August 16, 1988.

For further information, please call: (512) 450-3765



Name: Jeff Stoll

Grade: 9

School: Boles Jr. High, Arlington



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 Department of Agriculture

Friday, October 14, 1988, 10:30 a.m. The Texas Department of Agriculture will meet in the District Office, two blocks west of Morningside Road, Expressway 83, San Juan. According to the agenda, the department will conduct administrative hearings to review the alleged violation of Texas Agriculture Code, §103.001 by Ruiz Produce Company and Richard Ruiz, as petitioned by Jesus Alfaro.

Contact: Margo P. Wilton, P.O. Box 12847, Austin, Texas 78711, (512) 463-7583.

Filed: September 28, 1988, 2:30 p.m.

TRD-8810024

Texas Commission for the Blind

Thursday, October 6, 1988, 1 p.m. The Board Committee for the Texas Commission for the Blind will meet in the Third Floor Conference Room, Texas Commission for the Blind Administrative Building, 4800 North Lamar Boulevard, Austin. According to the agenda, the Public Relations Commission will discuss nominations for employer of the year awards.

Contact: Jean Wakefield, P.O. Box 12866, Austin, Texas 78711, (512) 459-2600.

Filed: September 27, 1988, 10:43 a.m.

TRD-8809977

Texas Department of Commerce

Tuesday, October 11, 1988, 10 a.m. The Board of Directors of the Texas Department of Commerce will meet in Suite 1100, First City Centre, 816 Congress Avenue, Austin. According to the agenda, the board will discuss administrative and personnel and budget matters. The board will also meet in executive session.

Contact: Mary Lane, (512) 320-9660.

Filed: September 29, 1988, 9:33 a.m.

TRD-8810053

Tuesday, October 11, 1988, 1 p.m. The Board of Directors of the Texas Department of Commerce will meet in Room 103, Reagan Office Building, 105 West 15th Street, Austin. According to the agenda, the board will approve minutes of the previous meeting; consider applications for enterprise zone designation from La Salle County and City of Encinal, City of Port Arthur and Jefferson County, briefing on new federal legislative programs and changes to JTPA program, briefing on Tourism Division activities and tourism campaign, Marketing and Media Division, Small Business Division, and Business Development Division. The board will also meet in executive session.

Contact: Mary Lane, (512) 320-9660.

Filed: September 29, 1988, 9:33 a.m.

TRD-8810054

Texas Commission for the Deaf

Friday, October 7, 1988, 10 a.m. The Texas Commission for the Deaf will meet in the Conference Room, 510 South Congress Avenue, Austin. According to the agenda, the commission will welcome and approve previous minutes; hear public comment; hear report from the board for evaluation of interpreters; hear director and staff reports; discuss and approve travel policy; and hear chairman's report.

Contact: Larry D. Evans, 510 South Congress Avenue, Suite 300, Austin, Texas 78701, (512) 469-9891.

Filed: September 28, 1988, 1:35 p.m.

TRD-8810022

Texas Education Agency

Wednesday, September 28, 1988, 11:30 a.m. The State Board of Education, Com-

mittee for Finance and Programs for the Texas Education Agency (TEA), met in emergency session for an agenda revision in Room 1-109, William B. Travis Building, 1701 North Congress Avenue, Austin. According to the agenda, the committee added sale of specific stock held by the Permanent School Fund, to the agenda. The emergency status was necessary as the agency found it was of urgent public necessity for this item to be added to preserve or enhance assets of the Permanent School Fund.

Contact: W.N. Kirby, 1701 North Congress Avenue, Austin, Texas 78701, (512) 463-8985.

Filed: September 27, 1988, 11:56 a.m.

TRD-8809980

Advisory Commission on State Emergency Communications

Wednesday, October 5, 1988, 9:30 a.m. The Full Commission for the Advisory Commission on State Emergency Communications will meet in Room 104, John H. Reagan Building, Austin. According to the agenda, the commission will call order and recognize guests; hear from public information committee; report on public information activities regarding 9-1-1 videos, brochure; TML exhibit booth; public relation firms; update and speakers packets; hear administrative committee report; report on ACSEC job descriptions and organization structure; discuss ACSEC meeting schedules and consider future meeting format; report on ACSEC office space and relocation schedule; report on Texas Land Information Network Conference; report on any new business; hear regional plan committee report; report on the regional plan committee activities; hear finance committee report; report on finance committee activities; update on 9-1-1 surcharge collections; hear public comments; read and approve minutes; and schedule future ACSEC meetings.

Contact: Mary Boyd, P.O. Box 13206, Austin, Texas 78711, (512) 463-1812.

Filed: September 27, 1988, 4:38 p.m.

TRD-8809998

Wednesday, October 5, 1988, noon. The Public Information Committee for the Advisory Commission on State Emergency Communications will meet in Room 102, John H. Reagan Building, Austin. According to the agenda, the committee will discuss update on 9-1-1 brochure; 9-1-1 education videos, Bell South pricing; update on TML exhibit; update on Austin public relations firms and speaker packet and public talk; consider new business; and hear public comment.

Contact: Mary Boyd, P.O. Box 13206, Austin, Texas 78711, (512) 463-1812.

Filed: September 27, 1988, 4:38 p.m.

TRD-8809999

Texas Employment Commission

Wednesday, October 5, 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 summary, the commission will approve minutes of the previous meeting, consider internal procedures of commission appeals, act on tax liability cases and higher level appeals in unemployment compensation cases listed on Docket 40, and set date of next meeting.

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

Filed: September 27, 1988, 2:46 p.m.

TRD-8809986

Wednesday, October 5, 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 summary, the commission will approve minutes of the previous meeting; consider internal procedures of commission appeals, adoption of revised appeals policy and precedent manual, action on tax liability cases and higher level appeals in unemployment compensation cases listed on commission Docket 40, and set date of next meeting.

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

Filed: September 27, 1988, 4:59 p.m.

TRD-8810000

Texas Department of Health

Friday, October 7, 1988, 9 a.m. The Texas Emergency Medical Services Advisory Council of the Texas Department of Health will meet in the Austin Hilton Inn, 6000 Middle Fiskville Road, IH-35 and US 290, Austin. According to the agenda summary,

the council will approve minutes of the previous meeting; hear associate commissioner's report and bureau chief's report; consider Emergency Medical Services (EMS) state plan; hear chairperson's report; consider Public Information Committee; hear Goals Committee report; consider messages and communications to TEMSAC; discussion of committees; and consider disaster response update and subscription services.

Contact: Gene Weatherall, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7550.

Filed: September 28, 1988, 4:20 p.m.

TRD-8810047

Saturday, October 8, 1988, 9:30 a.m. The Cardiovascular Advisory Committee of the Texas Department of Health will meet in the Fourth Floor Conference Room, 1100 West 49th Street, Austin. According to the agenda summary, the committee will approve minutes of the previous meeting; hear report of site visits and Medical Center Hospital report; consider University of Texas Medical Branch (UTMB) response, consider Hermann Hospital, Driscoll Hospital visit, and upcoming visits; hear cardiovascular outreach clinic standards task force report; consider board action update, children's medical center approval, Lubbock General Hospital approval, final medical coverage changes, other board action, medical coverage issues, norwood procedure, valvuloplasty, other pending issues, scheduling meetings for 1989; and schedule next meeting's agenda items.

Contact: Janet S. Barkley-Booher, 1100 West 49th Street, Austin, Texas 78756 (512) 458-7355.

Filed: September 28, 1988, 4:21 p.m.

TRD-8810043

Texas Higher Education Coordinating Board

Thursday, October 13, 1988, 10 a.m. The Educational Opportunity Committee for the Texas Higher Education Coordinating Board will meet in Boardroom 255, Bevington A. Reed Building, 200 East Riverside Drive, Austin. According to the agenda, the committee will consider new higher education opportunity plan for a multicultural Texas.

Contact: Gerald Wright, P.O. Box 12788, Austin, Texas 78711, (512) 462-6405.

Filed: September 27, 1988, 10:39 a.m.

TRD-8809976

State Board of Insurance

The State Board of Insurance will meet at 1110 San Jacinto Boulevard, Austin. Dates,

times, rooms, and agendas follow.

Wednesday, October 5, 1988, 10 a.m. The board will meet in Room 414, to consider Docket 1609-Appeal by Kenneth Wayne Hudson from commissioner's order 88-0409, and public hearing thereon concerning disciplinary action against Kenneth Wayne Hudson and concerning a license as a local recording agent and revocation of that license.

Contact: Pat Wagner, 1110 San Jacinto Street, Austin, Texas, 78701-1998, (512) 463-6328.

Filed: September 27, 1988, 1:42 p.m.

TRD-8809981

Thursday, October 6, 1988, 10 a.m. The board will meet in Room 414, to consider Docket 1608-Appeal by Rufus Paul King from commissioner's order 87-14378, and public hearing thereon concerning an application by Rufus Paul King for a group I legal reserve life insurance agent's license and denial of that license.

Contact: Pat Wagner, 1110 San Jacinto Street, Austin, Texas, 78701-1998, (512) 463-6328.

Filed: September 27, 1988, 1:42 p.m.

TRD-8809982

Interagency Council on Early Childhood Intervention

Thursday, October 6, 1988, 8:30 a.m. The Interagency Council on Early Childhood Intervention (ECI) will meet in Room T-803, Texas Department of Health, 1100 West 49th Street, Austin. According to the agenda, the council will approve minutes; hear public comments; review final rules on fees; requests for waivers to the fee collections system; request from Texarkana special education for additional funds; request by Travis State School to transfer Colorado County to Richmond State School; update on legislative budget board hearing and title XIX; update on 1988 annual conference and ECI recognition month; discuss need to revise ECI legislation; hear advisory committee reports on update on activities, research and evaluation plans, review and approve AIDS precautions, approve Universal precautions to protect against all infectious diseases; priorities and procedures for request for proposal's for fiscal year 1990 and awarding of fiscal year 1988 lapsed funds; review rule amendment to eliminate requirement for local letters of agreement; update on central resource directory and toll free number activities; and elect ECI council vice chairperson.

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

Filed: September 27, 1988, 3:40 p.m.

TRD-8809992

Texas Board of Irrigators

Wednesday, October 5, 1988, 9 a.m. The Texas Board of Irrigators will meet in Room 513-F, Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda, the board will consider approval of minutes; certification of licensed irrigators and installers; hear from Joe Woodard, field operations division, Texas Water Commission, concerning assistance with their investigation process; consider referring complaint against John E. Newberry, Russell R. Newberry, and John David Newberry to attorney general; John Heidman to report on complaints against Joseph Dawson, Pat Covell, and David A. Brown; and chairman to report on various matters of interest to the board.

Contact: Joyce Watson, 1700 North Congress Avenue, Stephen F. Austin Building, Room 647, Austin, Texas 78711, (512) 463-7992.

Filed: September 27, 1988, 10:44 a.m.

TRD-8809978

Texas Commission on Jail Standards

Wednesday, September 28, 1988, 9 a.m. The Texas Commission on Jail Standard met in Room 100, Employees Retirement Building, Austin. According to the agenda, the commission discussed new business, regarding employment. The emergency status was necessary due to immediate resignation of the executive director and selection of successor.

Contact: Robert O. Viterna, 611 South Congress Avenue, Suite 200, Austin, Texas 78704, (512) 463-5505.

Filed: September 28, 1988, 8:46 a.m.

TRD-8810002

Texas Juvenile Probation Commission

Friday, September 30, 1988, 1 p.m. The Board for the Texas Juvenile Probation Commission met in emergency session at 2015 South IH 35, Austin. According to the agenda summary, the board called order; held a business meeting to approve minutes of the June 10, 1988, meeting; hear directors report; report on interim committees; approved fiscal year 1988 administrative budget transfers; approved additional authorized signatures for comptrollers office; approved fiscal year 1989 challenge grants; approved second submission of fiscal year 1990-1991 budget request; approved signing of the memorandum of understanding required by Senate Bill 298 and publication of it and related rules in the Texas Register; approved fiscal year 1989 budget amend-

ment; and heard public comment. Members of the public were invited to attend this meeting and speak on any issue under the jurisdiction of the commission. The emergency status was necessary as a quorum of members was not present at the September 23, 1988, meeting.

Contact: Bill Anderson, P.O. Box 13547, Austin, Texas 78711.

Filed: September 28, 1988, 8:55 a.m.

TRD-8810003

Texas Lay Midwifery Board

Friday, October 7, 1988, 10 a.m. The Texas Lay Midwifery Board will meet in Room T-803, Texas Department of Health, 1100 West 49th Street, Austin. According to the agenda, the board will consider minutes of last meeting; re-elect board members; consider proposed amendments to lay midwifery law; hear statutory report to the legislation; and select date of next issue.

Contact: Joceline Alexander, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7700.

Filed: September 27, 1988, 3:40 p.m.

TRD-8809993

Legislative Budget Board

Friday, September 30, 1988, 10 a.m. The Legislative Budget Board submitted an emergency revised agenda to a meeting held in Room 310, State Capitol, Austin. According to the agenda summary, the board considered governor's budget execution proposals and reviewed fiscal outlook for 1990-1991 biennium. The emergency status was necessary because time has been changed from 9 a.m. to 10 a.m.

Contact: Jim Oliver, State Capitol, Room 207-A, Austin, Texas 78711, (512) 463-1166.

Filed: September 27, 1988, 1:48 p.m.

TRD-8809983

Texas National Guard Armory Board

Saturday, October 8, 1988, 9:30 a.m. The Texas National Guard Armory Board will meet in the Conference Room Building 64, Camp Mabry. According to the agenda, the board will consider administrative matters, construction, renovation, maintenance, and property/leases.

Contact: Sandra Hille, P.O. Box 5218, Austin, Texas 78763-5218, (512) 451-6394.

Filed: September 27, 1988, 3:44 p.m.

TRD-8809994

Public Utility Commission of Texas

The Hearings Division for the Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, unless otherwise noted. Dates, times, and agendas follow.

Wednesday, October 5, 1988, 9 a.m. The division will consider Dockets 8126, 8087, 8009, 8025, 8076, and 8083.

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

Filed: September 27, 1988, 3:17 p.m.

TRD-8809987

Wednesday, October 5, 1988, 2:30 p.m. The Administrative Division will approve minutes; reports, discussion, and action of budget and fiscal matters; consider whether the commission will correspond with the Electric Consumers Resource Council to comment on that organizations characterization of the PUC as an entity that advocates wholesale transmission access for the purpose of wheeling nonutility generation; discuss tariff review procedures; consider sending letter to Texas Congressional Delegation in support of HR 5017, and progress report of Tax Reform Act Task Force; meet in executive session to consider personnel and litigation matters; reconvene for decisions on matters considered in executive session; and set date and time for next meeting.

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

Filed: September 27, 1988, 3:17 p.m.

TRD-8809988

Tuesday, October 11, 1988, 2 p.m. The Hearings Division will consider Docket 8084-Complaint of Dallas Fort Worth Medical Center, Inc. against Texas Utilities Electric Company.

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

Filed: September 28, 1988, 3:38 p.m.

TRD-8810034

Wednesday, October 12, 1988, 10 a.m. The division will consider Dockets 8308 and 8332-application of Blossom Telephone Company, Inc. for new custom calling services; and for detariffing of inside wire and various tariff amendments.

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

Filed: September 27, 1988, 3:17 p.m.

TRD-8809989

Thursday, October 20, 1988, 10 a.m. The Hearings Division will consider Docket

8283-Application of Cap Rock Electric Co-operative, Inc: to change rates.

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

Filed: September 28, 1988, 3:39 p.m.

TRD-8810033

Monday, November 7, 1988, 10 a.m. The Hearings Division will consider Docket 8293-Petition of Flat Rate Communications, Ltd. against Southwestern Bell Telephone Company.

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

Filed: September 28, 1988, 3:38 p.m.

TRD-8810035

Tuesday, November 15, 1988, 10 a.m. The division will consider Docket 7279-inquiry of the general counsel into intrastate WATS overcharges and petition for refunds.

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

Filed: September 27, 1988, 3:17 p.m.

TRD-8809990

◆ ◆ ◆
**State Purchasing and
General Services
Commission**

Tuesday, October 4, 1988, 11 a.m. The State Purchasing and General Services Commission submitted an emergency revised agenda for a meeting to be held in Room 402, Central Services Building, 1711 San Jacinto Street, Austin. According to the agenda, the commission will meet in executive session to consider the status of the potential purchase of real property pursuant to the provisions of Texas Civil Statutes, Article 601b, §5.34. The emergency status is necessary to enable the commission to take any necessary actions necessary to meet its responsibilities under Texas Civil Statutes, Article 601b, §5.34 and potentially avoid substantial costs for the State of Texas.

Contact: John R. Neel, 1711 San Jacinto, Austin, Texas, (512) 463-3446.

Filed: September 28, 1988, 4:22 p.m.

TRD-8810049

◆ ◆ ◆
**Texas Rehabilitation
Commission**

Friday, October 7, 1988, 10 a.m. The Continuing Education Committee, Texas Advisory Board of Occupational Therapy for the Texas Rehabilitation Commission will meet on the Third Floor, 118 East

Riverside Drive, Austin. According to the agenda, the committee will review and discuss continuing education changes proposed by the Continuing Education Task Force; discuss proposed revision to continuing education documentation procedure; and discuss requests from licensees.

Contact: Linda Vaclavik, 118 East Riverside Drive, Austin, Texas 78704, (512) 445-8368.

Filed: September 28, 1988, 11:40 a.m.

TRD-8810017

◆ ◆ ◆
**Select Committee on Tax
Equity**

Thursday, October 13, 1988, 2 p.m. The Select Committee on Tax Equity will meet in Room 101, John H. Reagan Building, 105 West 15th Street, Austin. According to the agenda, the committee will continue studying the business taxes (including franchise, severance, insurance, and utility).

Contact: Billy Hamilton, P.O. Box 12666, Austin, Texas 78711, (512) 463-1238.

Filed: September 28, 1988, 9:24 a.m.

TRD-8810009

Tuesday, October 18, 1988, 9 a.m. The Select Committee on Tax Equity will meet in Room 101, John H. Reagan Building, 105 West 15th Street, Austin. According to the agenda, the committee will continue the study of property taxes, intergovernmental issues, and economic development.

Contact: Billy Hamilton, P.O. Box 12666, Austin, Texas 78711, (512) 463-1238.

Filed: September 28, 1988, 9:24 a.m.

TRD-8810010

◆ ◆ ◆
**State Committee of
Examiners for Speech-
Language Pathology and
Audiology**

Thursday, October 13, 1988, 7 p.m. The State Committee of Examiners for Speech-Language Pathology and Audiology will meet in the First Floor, Activity Center, Healthcare International Corporate Office, 9737 Great Hills Trail, Austin. Agendas follow.

The Disciplinary Action Subcommittee will prepare proposed amendments to the committee rules regarding time limitations and/or maximum monetary assessments that may be imposed for Texas Civil Statutes, Article 4512j.

Contact: June Robertson, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7502.

Filed: September 28, 1988, 4:21 p.m.

TRD-8810044

The Rules Expansion Subcommittee will prepare amendments to the rules to clarify the intern requirements, inactive status, the requirement of clinical practicum, and identify more explicitly the requirements for a supervisor of interns and associates. The subcommittee will discuss other rule changes concerning the committee.

Contact: June Robertson, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7502.

Filed: September 28, 1988, 4:21 p.m.

TRD-8810045

The Continuing Education Subcommittee will prepare proposed amendments to §741.163 of the committee rules regarding the addition of a roll over three-year option for continuing education credit, and reorganizing the present continuing education options of this section.

Contact: June Robertson, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7502.

Filed: September 28, 1988, 4:21 p.m.

TRD-8810046

Friday, October 14, 1988, 9 a.m. The committee will meet in Room T-803, 1100 West 49th Street, Austin. According to the agenda summary, the committee will approve minutes of the previous meeting; hear reports and recommendations of subcommittees concerning disciplinary action subcommittee to amend committee rules, continuing education subcommittee to amend committee rules, and rules expansion subcommittee to clarify and expand the committee rules; consider proposed amendments to committee rules to be forwarded to board of health for approval; hear subcommittee reports regarding status of complaints and complaint investigations; consider correspondence addressed to committee; hear executive secretary's report; and consider other matters relating to licensing and regulation of speech-language pathologists and audiologists (no committee action required); and discuss future meeting date.

Contact: June Robertson, 1100 West 49th Street, Austin, Texas 78756, (512) 458-7502.

Filed: September 28, 1988, 4:21 p.m.

TRD-8810046

◆ ◆ ◆
**Board for Lease of State-
owned Lands**

Wednesday, October 5, 1988, 4:30 p.m. The Board for Lease of Texas Department of Corrections for the Board for Lease of State-owned Lands will meet in Room 833, General Land Office, Stephen F. Austin Building, 1700 North Congress Avenue,

1700 North Congress Avenue, Austin. According to the agenda, the board will approve minutes of the previous board meeting; consider and approve bids received at the October 4, 1988, oil, gas, and other minerals lease sale; consider fee schedule for surface damages relating to the oil and gas leases on Texas Department of Corrections lands.

Contact: Linda K. Fisher, 1700 North Congress Avenue, Room 836, Austin, Texas 78701, (512) 463-5016.

Filed: September 27, 1988, 3:57 p.m.

TRD-8809996

Texas State Technical Institute

Monday, October 3, 1988, 2 p.m. The Board of Regents Executive Committee for the Texas State Technical Institute met via conference call placed from the Board of Regents Room at Texas State Technical Institute, Systems Office, Waco. According to the agenda, the board authorized the general counsel to enter into agreements for the purchase of the chancellor's home, and for interior decorators, the purchase of furniture, and the installation of new carpeting, and for utility service; and for the authorization for the new chancellor to execute any and all documents necessary pertaining to the utility easement with the City of Waco for the Waco campus.

Contact: Murray Watson, Jr., 2600 Washington Avenue, Waco, Texas 76710, (817) 753-0913.

Filed: September 28, 1988, 9:11 a.m.

TRD-8810011

Texas A&M University System

Sunday, October 2 and 3, 1988, 1:15 p.m. and 8:30 a.m., respectively. The Board of Regents of Texas A&M University System met in the MSC Annex, Texas A&M University, College Station. According to the agenda, the board considered the long-range planning process and preliminary 1990-1993 plans for the Texas A&M University System.

Contact: Vickie Burt, Texas A&M University System, College Station, Texas 77843, (409) 845-9603.

Filed: September 29, 1988, 9:38 a.m.

TRD-8810056

University Interscholastic League

Thursday, September 29, 1988, 2 p.m. The State Executive Committee of the University Interscholastic League met in emergency session in the Conference Room, First Floor, 2622 Wichita, Austin. According to the agenda summary, the committee issued official interpretation of amateur rule, §401(b). The emergency status was necessary because there were several schools waiting on an interpretation concerning students' eligibility for Saturday games.

Contact: Bailey Marshall, P.O. Box 8028, Austin, Texas 78711, (512) 471-5883.

Filed: September 28, 1988, 2:46 p.m.

TRD-8810025

University System of South Texas

Tuesday, October 4, 1988, 10 a.m. The Board of Directors of University System of South Texas will meet in the Boardroom, two miles west on Highway 141, Kingsville. According to the agenda summary, the board will consider contract between Texas A&M University System and the University System of South Texas to establish a Texas Engineering Experiment Station Outreach Center on the Texas A&I University campus; hear report of Laredo State University-UT System feasibility study; and consider authorization to conduct a feasibility study for the creation of a law school at Texas A&I University.

Contact: Frederick Bigelow, P.O. Box 1238, Kingsville, Texas 78363, (512) 595-2208.

Filed: September 29, 1988, 9:40 a.m.

TRD-8810055

Regional Meetings

Meetings Filed September 27, 1988

The Education Service Center Region IV, Board of Directors, will meet in the Boardroom, 7145 West Tidwell, Houston, on October 11, 1988, at 6 p.m. Information may be obtained from Tom Pate, Jr., 7145 West Tidwell, Houston, Texas 77001, (713) 462-7708.

The Lavaca County Central Appraisal District, Board of Directors, will meet at the Appraisal District, 113 North Main,

Hallettsville, on October 10, 1988. Information may be obtained from Diane Munson, P.O. Box 386, Hallettsville, Texas 77964, (512) 798-4396.

The Tyler County Appraisal District, Board of Directors, will meet at 806 West Bluff, Woodville, on October 4, 1988, at 4 p.m. Information may be obtained from Mary F. Mann, P.O. Drawer 9, Woodville, Texas 75979, (409) 283-3736.

TRD-8809979

Meetings Filed September 28, 1988

The Dallas Area Rapid Transit, DART Board/Elected Officials Workshop, met at the Marriott Park Central Hotel, Dallas, on October 1, 1988, at 9 a.m. Information may be obtained from Nancy McKethan, 601 Pacific Avenue, Dallas, Texas 75202, (214) 658-6237.

The Education Service Center, Region II, ESC-II Board of Directors, will meet at 209 North Water, Corpus Christi, on October 11, 1988, at 6:30 p.m. Information may be obtained from Gerald V. Cook.

The Wheeler County Appraisal District, Board of Directors, met at the County Courthouse Square, Wheeler, on October 3, 1988, at 2 and 3 p.m. Information may be obtained from Marilyn Copeland, P.O. Box 349, Wheeler, Texas 79096, (806) 826-5900.

TRD-8810001

Meetings Filed September 29, 1988

The Education Service Center, Region XVII, Board of Directors, will meet in the Boardroom, 1111 West Loop 289, Lubbock, on October 11, 1988, at 10 a.m. Information may be obtained from Weldon E. Day, 1111 West Loop 289, Lubbock, Texas 79410, (806) 792-4000.

The Education Service Center, Region XVIII Board of Directors, will meet at 2811 LaForce Boulevard, Midland, on October 6, 1988, at 7:30 p.m. Information may be obtained from Vernon Stokes, P.O. Box 6020, Midland, Texas 79711, (915) 563-2380.

TRD-8810050

Name: Chad Bowlyow

Grade: 9

School: Boles Jr. High, Arlington



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 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, September 19, 1988-September 23, 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 September 23, 1988: \$92,507,800.

Total amount of state ceiling remaining unreserved for the \$208,525,000 subceiling for state-voted issues under the Act as of September 23, 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 September 23, 1988: \$226,700.

Total amount of the \$834,100,000 state ceiling remaining unreserved as of September 23, 1988: \$301,259,500.

Comprehensive listing of bond issues which have received a reservation date pursuant to the Act from September 19, 1988-September 23, 1988: None.

Comprehensive listing of bonds issued and delivered as pursuant to the Act from September 19, 1988-September

23, 1988: None.

Issued in Austin, Texas, on September 27, 1988.

TRD-8809991 J. William Lauderback
Executive Director
Texas Department of Commerce

Filed: September 27, 1988

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

Texas Commission for the Deaf Notice of Contract Award

In compliance with Texas Civil Statutes, Article 6252-11c, the Texas Commission for the Deaf hereby furnishes this notice of consultant contract award. The consultant proposal request appeared in the October 23, 1987, issue of the *Texas Register* (12 TexReg 3936). The contract consists of providing a one-week summer outdoor training program for approximately 160 deaf and hearing impaired students eight through 17 years of age.

The contractor selected to perform this service is Vista Camps, Ingram, Texas 78025. The total value of the contract is \$35,000 for each of fiscal years 1988 and 1989. The contract will begin January 1, 1988, and has an ending date of August 31, 1989.

The final reports prepared by the Vista Camps under this contract shall be submitted within 30 days following the conclusion of the camp activity for each calendar year.

Issued in Austin, Texas on September 27, 1988.

TRD-8809995 Larry D. Evans
Executive Director
Texas Commission for the Deaf

Filed: September 27, 1988

For further information, please call (512) 469-9891

State Department of Highways and Public Transportation Notice of Meeting

The State Motor Carrier Advisory Committee (SMCAC), being an informal advisory group comprised of representatives of the public and private sectors will meet on Friday, October 14, 1988, from 9:30 a.m. to approximately 3:30 p.m., at the Texas Motor Transportation Association Board Room, 700 East 11th Street, Austin, to discuss transportation issues of mutual interest. Topics to be discussed are: activities relating to the registration and titling of motor vehicles in Texas; activities related to commercial bus operations; committee assignments; electronic motor vehicle communication; activities of House Subcommittee on Truck Weight Regulations; and open discussion and future meeting plans.

This meeting will replace the SMCAC September 16,

1988, meeting published in the September 2, 1988, issue of the *Texas Register* (13 TexReg 4401) which was canceled due to emergency conditions caused by Hurricane Gilbert.

Additional information may be secured from Henry A. Thomason, Jr., SMCAC Chairman, 11th and Brazos Streets, Austin, Texas 78701, (512) 463-8672.

Issued in Austin, Texas on September 27, 1988.

TRD-8810004 Diane L. Northam
Administrative Procedures Technician
State Department of Highways and Public
Transportation

Filed: September 28, 1988

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

◆ ◆ ◆
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 admission to do business in Texas of All Savers Insurance Company, a foreign life insurance company. The home office is in Indianapolis, Indiana.
2. Application for admission to do business in Texas of NYLife Insurance Company of Arizona, a foreign life insurance company. The home office is in Scottsdale, Arizona.
3. Application for admission to do business in Texas of Regent Insurance Company, a foreign casualty company. The home office is in Sun Prairie, Wisconsin.
4. Application for admission to do business in Texas of General Casualty Company of Illinois, a foreign casualty company. The home office is in Freeport, Illinois.
5. Application for admission to do business in Texas of General Casualty Company of Wisconsin, a foreign casualty insurance company. The home office is in Sun Prairie Wisconsin.
6. Application for a name change by Pacific Financial Life Insurance Company, a foreign life insurance company. The home office is in Newport Beach, California. The proposed new name is PM Group Life Insurance Company.
7. Application for admission to do business in Texas of the Home Insurance Company of Wisconsin, a foreign casualty insurance company. The home office is in Brookfield, Wisconsin.

Issued in Austin, Texas, on September 22, 1988.

TRD-8809955 Nicholas Murphy
Chief Clerk
State Board of Insurance

Filed: September 26, 1988

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

◆ ◆ ◆
Texas Racing Commission
Correction of Errors

The Texas Racing Commission submitted emergency adoptions which contained errors as published in the September 20, 1988, issue of the *Texas Register* (13 TexReg 4629).

In §304.143: Subsection (c) should read: "(c) The application documents must state the status of roadway improvements needed to ensure adequate access to the racetrack site and include:"

In §305.182: Paragraph (a)(2) should read: "(2) include the information required of an individual in §§305.101-305.106 (relating to Personal Information, Residency, Disclosure of Arrest or Conviction, Legal Proceedings, Consent for Investigation, and Waiver); and"

The commission also submitted proposed sections which contained errors as published in the September 20, 1988, issue of the *Texas Register* (13 TexReg 4649).

For §303.64: The entire section should read: "§303.64. *Compliance*. On receipt of certification by the controller that a licensee has violated a rule of the controller, has refused to allow inspection of records, or is delinquent in the payment of a fee or tax owed to the state, the commission shall immediately call a hearing to revoke or suspend the licensee's license or to take other appropriate action."

For §309.1 and §309.2: The heading should read: "Chapter 309. Operation of Racetracks; Subchapter A. General Provisions; General Provisions; 16 TAC §309.1, §309.2"

For §§309.181-309.184: The heading should read: "Facilities for Employees, 16 TAC §§309.181-309.184"

◆ ◆ ◆
Railroad Commission of Texas
Correction of Error

The Railroad Commission of Texas submitted a proposed amendment which contained errors as published in the September 20, 1988, issue of the *Texas Register* (13 TexReg 4643).

In §3.77: Subparagraph (d)(4)(I) appeared erroneously as paragraph (1).

Subsection (i) appeared erroneously as clause (i) following subparagraph (h) (3)(E).

◆ ◆ ◆
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 September 19-September 23, 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, Austin, Texas 78711, (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.

Camp Longhorn, Inc., Burnet; children's camp treatment plant; located approximately 1 1/4 miles east of the intersection of State Highway 29 and FM Road 1431, just west of Inks Lake, Llano County; 13460-01; new.

Camp Longhorn, Inc., Burnet; children's camp treatment plant and irrigation site area approximately two miles east of the intersection of Park Road 4 and Hoovers Valley Road, Burnet County; 13459-01; new.

Valley Grain Products, Inc., Muleshoe; corn flour manufacturing plant; adjacent to United States Highway 84, approximately 1.5 miles southeast of the City of Muleshoe, Bailey County; 03032; new.

Crown Central Petroleum Corporation, Pasadena; storage, processing, and disposal facility; located on a 170-acre tract of land along the southern bank of the Houston Ship Channel immediately east of the Washburn Tunnel, approximately 1/2 mile north of State Highway 225, Harris County; HW50112-000; new.

Issued in Austin, Texas, on September 23, 1988.

TRD-880984

Karen A. Phillips
Chief Clerk
Texas Water Commission

Filed: September 27, 1988

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



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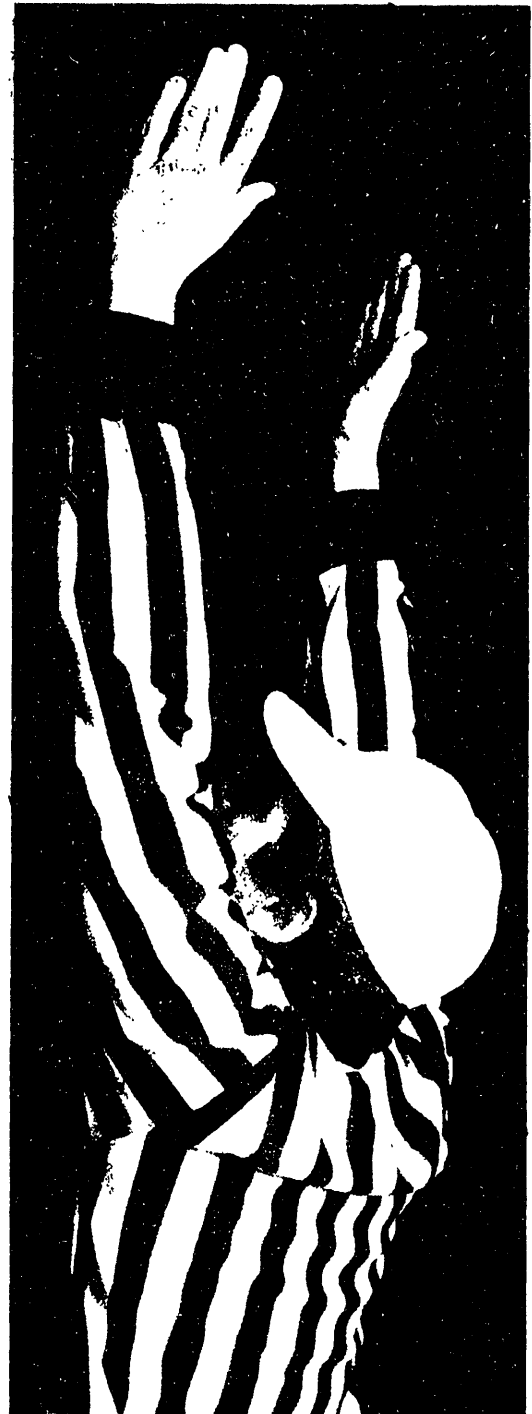
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EDITOR (Name and Complete Mailing Address) Dan Procter, P.O. Box 13824, Capitol Station, Austin, Texas 78711-3824			
MANAGING EDITOR (Name and Complete Mailing Address) Not Applicable			
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